

The Case for a Food and Beverage Analyst



Ed Rehkopf



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Food service is an enterprise awash in variables, yet the end product – quality food and service – is the result of consistency of ingredients, preparation, and service, as well as the consistent application of a wide range of operational disciplines that result in meeting or exceeding expected performance.

In manufacturing operations every effort is made to reduce the variability of materials and manufacturing processes to ensure the uniform quality of the finished product. Food service is a manufacturing process with the added complexity of the all-important member service component. Making it even more challenging is the fact that the manufacturing process (food production) is laden with almost limitless variables such as many perishable ingredients with a number of quality variables such taste, texture, smell, color, and freshness; a complex mix and measure of ingredients in each menu and beverage item; differences in cooking techniques and time of preparation; and the skills and training of the production staff.

Add to this the many issues in food delivery, service, and member interface – timing and temperature; the experience, skills, training, confidence, and personalities of the service staff; the scheduling of necessary staffing levels; the hourly, daily, weekly, and seasonal ebbs and flows of dining traffic; the impact of weather and other dining and entertainment options for members; and other innumerable external variables.

Since all this variety and uncertainty is an inherent part of the food service landscape, managers must possess a deep understanding of the most significant variables and make informed judgments regarding their impact on daily operations. Only by doing this conscientiously on an ongoing basis can managers have any hope of meeting expectations of quality, service, and performance, not to mention maintaining their personal sanity.

What makes this especially challenging is the sheer volume of moving parts that must be monitored and managed in a people- and detail-intensive business. In the ongoing rush of operational requirements what often gets short-changed by busy managers is the ongoing tracking and analysis of the variables that underlie and impact operational performance.

A solution to this all-too common problem is to employ a food and beverage analyst who is tasked with monitoring and reporting of key measures and processes to ensure the efficiency of operations. So, what exactly can an F&B analyst do to help the busy F&B director? Here's a list of things that can help any operation:

- Prepare daily and per meal period benchmarks of items sold and revenues for each sales category (entrées, salads, appetizers, desserts, specialty drinks, wine by the glass, bottles of wine, cordials, beers, and spirits); compute the average sale by category; summarize these by day of week, weekly, monthly, year-to-date, and annually.

The benefit of providing and analyzing this detail is that it informs decision-making not only for the ordering of stock, but for menu engineering, increasing average checks by suggesting and describing, monitoring margins, keeping everyone on track to meet budget by quickly identifying causes of revenue shortfalls, and providing the raw data for improved budgeting.



- Benchmark hours worked and pay cost by pay category (regular hours, overtime, holiday, vacation, and sick/emergency, etc.) and position (a la carte server, catering server, bartender, cocktail wait, etc.). Summarize these by pay period, monthly, year-to-date, and annually.

The benefit of this is that it helps managers understand their payroll cost and take effective action to stay on budget, while providing the raw data for improved budgeting of this largest operational expense.

- Prepare weekly forecasts of business levels by day of week and meal period. Provide these to F&B managers. These forecasts are based on history of traffic by day of week and weekly throughout the year and information of upcoming internal and external factors that can influence the level of dining traffic. This information should be provided several weeks in advance, allowing managers time to schedule most efficiently to meet expected dining demand.
- Conduct monthly analysis of sales mix, identifying sales of high/low volume and high/low margin menu items to better understand and formulate menu mix and pricing decisions. Provide this analysis to F&B director and chef.
- Conduct weekly inventories of key F&B stocks (alcoholic beverages, meats, seafood, poultry, dairy, produce, and other high cost and/or perishable items). As much as possible compare stocks consumed with sales. Such attention to the flow of stocks through your club will identify inventory discrepancies in a timely manner, help pinpoint causes, and reduce incidence of pilferage. Provide inventories with sales/usage analysis to F&B director and chef.
- Assist in conducting end of month inventories of all F&B stocks and any necessary investigation of discrepancies.
- Benchmark food, beverage, and pay cost percentages monthly, year-to-date, and annually. Provide monthly report to F&B director and chef. This clear presentation of cost data in a single report allows “at-a-glance” recognition of out of line expenses.

While some general managers might feel that the F&B analyst position should be part of the club controller or chief financial officer’s staff, we believe that best results will be obtained if this position reports directly to the F&B director. This assignment clearly establishes the role of the F&B analyst as support staff for F&B management to help the department operate more intelligently and efficiently.

Benefits include:

- Consistent monitoring of key underlying variables in the revenue and cost structure of the F&B operation. All too often this key data is left un-mined and unexamined by busy departmental managers.
- Freed from the time-consuming detail of data tracking, managers can spend more time on more productive and important matters – member relationship management; devising creative and exciting menus and events; leading and motivating staff; training; planning and execution; meeting/exceeding budgets; and continual process improvement.



- Benchmarking revenues and costs will make it far easier to produce more accurate budgets for future periods.
- Reduction of food cost through more frequent and closer monitoring of inventories and stock consumption. Even if food cost savings only covered the cost of the F&B analyst position, the other benefits listed above would make the position well-advised.

Depending on the size of the operation, this may or may not be a full-time position. The person filling the position does not need to be an accountant, just dependable with initiative and knowledge of spreadsheets.

Private Club Performance Management has created spreadsheets to track the benchmarks discussed above. They can be found in *PCPM, Operational Resources, Club Benchmarking Resources*, available on the PCPM Marketplace store.

Bottom Line: A properly designed food cost control plan with a dedicated F&B analyst can yield significant bottom line results by providing a better understanding of the underlying variables impacting the operation, allowing busy F&B managers a greater focus on other issues and opportunities to better organize and improve departmental performance.

About the Author

Ed Rehkopf is a graduate of the U.S. Military Academy and received a Master of Professional Studies degree in Hospitality Management from Cornell's School of Hotel Administration. During his long and varied career, he has managed two historic hotels, managed at a four-star desert resort, directed operations for a regional hotel chain, opened two golf and country clubs, worked in golf course development, and launched a portal web site for the club industry.