

SAULT COLLEGE OF APPLIED ARTS & TECHNOLOGY
NORTHERN ONTARIO HOSPITALITY AND TOURISM INSTITUTE
SAULT STE. MARIE, ONTARIO, CANADA

COURSE OUTLINE

COURSE TITLE: FOOD AND BEVERAGE COST CONTROL

CODE NO.: HMG 242 SEMESTER: 4

PROGRAM: HOTEL AND RESTAURANT MANAGEMENT

AUTHOR: DERON B. TETT. B.A.H.. B. ED.

Office: L 140
Phone: 759-2554, ext. 583

DATE: 1996 12 29 PREVIOUS OUTLINE DATED: 1995 05

APPROVED: _____

DEAN, SCHOOL OF BUSINESS DATE
& HOSPITALITY

TOTAL CREDITS: 3

PREREQUISITES: NONE

LENGTH OF COURSE: 3 HRS./WK. TOTAL CREDIT HOURS: 48

COURSE DESCRIPTION:

This course will provide the students with the opportunity to further develop their managerial knowledge and skills. The students will gain an understanding of how to control costs in food and beverage operations. The focus will be on food and beverages, labour and sales income. In today's economic climate of financial cutbacks, this course will provide the students with a concrete understanding of the importance of cost reduction while improving the quality of products and service to ensure the overall success of the hospitality industry.

II. LEARNING OUTCOMES AND ELEMENTS OF THE PERFORMANCE:

Upon successful completion of this course the student will demonstrate the ability to:

- 1) Research and identify the importance of control systems in the hospitality industry (food and beverage operations) through the completion of tests and assignments.

Potential elements of the performance:

- *define "control" and recognize its importance in the management system
- *identify the various types of costs
- *explain the purposes and applications of standard costs and the uses of standard cost tools
- *describe the role of budget standards in planning and control
- *explain the role of analysis, corrective action, and evaluation in the control process

- 2) List and explain the various components essential to designing effective food and beverage control systems through the completion of class discussions, tests and assignments.

Potential elements of the performance:

- *outline policies for monitoring inventory and forecasting requirements
- identify and explain methods for estimating allowable food and beverage costs based on forecasted sales levels
- *discuss the importance of the menu as both a control tool and marketing tool
- *apply principles and procedures important in controlling the purchasing and receiving processes and recognize the need to incorporate quality requirements in purchasing and receiving activities
- *explain the basic formula for calculating cost of sales and identify sources of information for each component of the formula
- identify the goals of effective storage and issuing controls, describe physical and perpetual inventory systems, and recognize the need for accurate inventory record keeping systems
- explain the importance of standard recipes as production tools
- describe the operations of automated food and beverage control systems

- 3) Apply accounting and financial knowledge and skills, including cost control techniques, to the operation of a hospitality enterprise through the completion of tests and assignments

Potential elements of the performance:

- apply mathematical skills to make accurate calculations and to verify the accuracy of the calculations
- outline principles of revenue and cash flow management, and budgeting strategies, for hospitality operations
- apply strategies of cost control to a variety of hospitality operations such as purchasing and receiving, food and beverage, labour, operations, and inventory
- apply cost-volume profit analysis to food and beverage operations

- 4) Demonstrate an understanding of the importance proper human resource management in relation to labour cost control through the completion of tests and assignments

Potential elements of the performance:

identify factors that affect work performance and explain the labour control process

*describe how analysis, corrective action, and evaluation are used in the labour control process to reconcile staffing and budgeting concerns

*outline the implementation of labour cost controls

- 5) Develop ongoing personal professional development strategies and plans to enhance leadership and management skills for the hospitality environment.

Potential elements of the performance:

*solicit and use constructive feedback in the evaluation of her/his knowledge and skills

•identify various methods of increasing professional knowledge and skills

*apply principles of time management and meet deadlines

*recognize the importance of the guest, the server-guest relationship, and the principles of good service

III. TOPICS

Note: These topics sometimes overlap several areas of skill development and are not necessarily intended to be explored in isolated learning units or in the order below.

*overview of food and beverage operations

*control function

•determining food and beverage standards

•operations budgeting and cost-volume-profit analysis

- *the menu
- *purchasing and receiving controls
- *storing and issuing controls
- *production and serving controls
- Calculating actual food and beverage costs
- *control analysis, corrective action, and evaluation
- * sales income control
- *preventing theft of sales income
- labour cost control
- implementing labour cost control

REQUIRED RESOURCES/TEXTS/MATERIALS:

Ninemeier, J.D., Food and Beverage Controls. 3rd ed. The Educational Institute of the American Hotel and Motel Association, East Lansing, 1995.

V. **EVALUATION PROCESS/GRADING SYSTEM**

FINAL GRADE REPORTING

A+	90% - 100%	Consistently outstanding
A	80% - 89%	Outstanding Achievement
B	70% - 79%	Consistently Above Average
C	60% - 69%	Satisfactory
R	Below 60%	Repeat - objectives have not been met
CR		Credit exemption
X		A temporary grade, limited to extenuating circumstances, giving a student additional time to complete course requirements

NOTE: Students may be assigned an 'R' grade early in the course for unsatisfactory performance.

EVALUATION

3 Tests	60%
Classroom Attendance/Participation	10%
Project/Assignments	30%
Total	100%

GUIDELINES RE GRADING:

ASSIGNMENTS:

Since one of our goals is to assist students in the development of proper business habits, assignments will be treated as reports one would provide to an employer, i.e. in a timely and businesslike manner. Therefore, assignments will be due at the beginning of class and will be 100% complete. All work is to be typed, properly formatted, assembled and stapled prior to handing in. No extension will be given unless the student and the professor have come to an agreement prior to the due date.

TESTS:

If a student is not able to write a test because of illness or a legitimate emergency, that student must contact the professor prior to the test or as soon as possible and provide an explanation which is acceptable to the professor. In cases where the student has contacted the professor and where the reason is not classified as an emergency, i.e. slept in, forgot, etc., the highest achievable grade is a "C". In cases where the student has not contacted the professor, the student will receive a mark of "0" on that test.

VI. SPECIAL NOTES

Dress Code

All students are required to wear their uniforms while in the hospitality and tourism institute, both in and out of the classroom.

Special Needs

If you are a student with special needs (eg. physical limitations, visual impairments, hearing impairments, learning disabilities), you are encouraged to discuss required accommodations with the professor and/or contact the Special Needs Office, Room E1204, Ext. 493, 717, 491 so that support services can be arranged for you.

Plagiarism

Students should refer to the definition of "academic dishonesty" in the "Statement of Student Rights and Responsibilities." Students who engage in "academic dishonesty" will receive an automatic failure for that submission and/or such other penalty, up to and including expulsion from the course, as may be decided by the professor.

Retention of Course Outlines

It is the responsibility of the student to retain all course outlines for possible future use in acquiring advanced standing at other post-secondary institutions.

Substitute course information: available at Registrar's Office.

The professor reserves the right to modify the course as deemed

