

Introduction to Food and Beverage Management

Introduction to Food and Beverage (E&B) Management

Key concepts, responsibilities, and best practices for running successful food?service operations.

1. What Is Food & Beverage Management?

- **Definition:** The planning, organizing, directing, and controlling of all activities related to the production and service of food and drinks in hotels, restaurants, cafés, catering firms, cruise ships, hospitals, and other hospitality venues.
- **Goal:** Deliver high?quality products and service that satisfy guests while achieving profitability and operational efficiency.

2. Core Areas of Responsibility

Area	Primary Tasks	Typical Metrics
Menu Planning & Development	• Analyze market trends & guest preferences	Menu contribution margin, menu item popularity
	• Design balanced, cost?effective menus	
	• Conduct recipe testing & portion control	
Purchasing & Inventory	• Source suppliers & negotiate contracts	Food cost % (cost of goods sold ÷ sales), inventory turnover
	• Manage purchase orders & deliveries	
	• Conduct regular stock counts & waste audits	
Production & Kitchen Operations	• Schedule kitchen staff & assign stations	Labor productivity, kitchen yield, compliance scores
	• Ensure food safety & sanitation standards	
	• Monitor preparation times & quality	

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Area	Primary Tasks	Typical Metrics
Service & Guest Experience	• Train front-of-house staff on service standards • Oversee table settings, order taking, and delivery • Handle guest complaints & feedback	Guest satisfaction scores, table turnover, average check
Financial Management	• Prepare budgets & forecast sales • Track revenue, cost of goods sold (COGS), and labor cost • Perform variance analysis & pricing adjustments • Develop specials, promotions, and loyalty programs	Gross profit margin, labor cost %, break-even point
Marketing & Promotion	• Coordinate with sales/marketing for events and PR • Use social media & online ordering platforms	Promotion ROI, repeat-guest rate, online engagement
Human Resources	• Recruit, train, and schedule staff • Conduct performance reviews & motivation programs • Ensure compliance with labor laws	Employee turnover, staff productivity, training completion rate

3. The F&B Profit Equation

$$[\text{Profit} = \text{Revenue} - (\text{Food Cost} + \text{Beverage Cost} + \text{Labor Cost} + \text{Operating Expenses})]$$

• Target Cost Percentages (industry benchmarks):

- Food cost: 28% – 35% of food sales
- Beverage cost: 20% – 25% of beverage sales
- Labor cost: 30% – 35% of total F&B sales

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4. Menu Engineering Basics

Management

1. **Classify items** using a 2×2 matrix (Popularity vs. Profitability).

- **Stars** – high profit, high popularity ? promote.
- **Plow?horses** – low profit, high popularity ? consider price increase or cost reduction.
- **Puzzles** – high profit, low popularity ? market or reposition.
- **Dogs** – low profit, low popularity ? discontinue or redesign.

2. **Costing a menu item**

[\text{Recipe Cost} = \sum (\text{Ingredient Qty} \times \text{Unit Cost})]

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