

Introduction to Food and Beverage Management

Introduction to Food & Beverage (F&B) Management

Core concepts, key functions, and essential skills for running successful food service operations.

1. What Is Food & Beverage Management?

Aspect	Description
Definition	The planning, organizing, directing, and controlling of all activities that produce and deliver food and beverages to customers.
Scope	Covers restaurants, hotels, cafés, bars, catering services, institutional dining (hospitals, schools), and cruise ships.
Goal	Deliver a consistent, high-quality guest experience while achieving profitability and operational efficiency.

2. Organizational Structure

Owner / Investor

?

?? General Manager (GM)

?

?? Food & Beverage Director / Manager

? ?? Restaurant Manager(s)

? ?? Bar / Lounge Manager

? ?? Banquet & Catering Manager

? ?? Kitchen (Executive Chef & Sous Chefs)

?

?? Support Functions

?? Purchasing / Procurement

?? Finance & Accounting

?? Human Resources

?? Marketing & Sales

Size and complexity of the operation dictate the depth of each layer.

3. Core Functional Areas

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Function	Primary Responsibilities	Typical KPIs
Menu Planning & Development	• Conceptualize menu items • Balance cost, profitability, and guest appeal • Update seasonally • Supplier selection & negotiation	Menu engineering score, contribution margin per dish
Purchasing & Inventory Control	• Order placement, receiving, and storage • Stock rotation (FIFO) • Recipe standardization	Food cost %, waste %, inventory turnover
Production & Kitchen Operations	• Scheduling staff & equipment • Maintaining food safety & hygiene • Front-of-house staffing & training	Labor productivity, preparation time, compliance audit results
Service Delivery	• Guest interaction & complaint handling • Table turnover management	Guest satisfaction scores, table turn rate, average check
Financial Management	• Budgeting & forecasting • Cost control (food, beverage, labor) • Pricing strategy	Gross profit %, EBITDA, variance analysis
Marketing & Sales	• Promotion planning • Loyalty programs & upselling • Event & banquet sales	Revenue per available seat hour (RevPASH), booking conversion rate
Compliance & Safety	• Health department regulations • Alcohol licensing • Workplace safety (OSHA)	Inspection pass rate, incident frequency

4. The Menu Engineering Process

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1. **Analyze Sales Data** – Plot each item on a **Contribution Margin vs. Popularity** matrix.

- *Stars*: High profit, high popularity – promote.
- *Plowhorses*: Low profit, high popularity – consider cost reduction.
- *Puzzles*: High profit, low popularity – reposition or market.
- *Dogs*: Low profit, low popularity – eliminate or redesign.

2. **Costing** – Calculate **Recipe Cost** (ingredients) + **Portion Cost** = **Food Cost %**.

- Target food cost typically 28-35% for full-service restaurants; 20-25% for quick-service.

3. **Pricing** – Set menu price using:

$$\text{Menu Price} = \frac{\text{Recipe Cost}}{\text{Food Cost \%}}$$