

A Break From Tradition

A fundamental change of management style is the first step in competing against restaurants for food and beverage dollars.

By Tarun Kapoor, CHA

Food and beverage veterans remember when hotel F & B departments were profitable and when hotel restaurants were exciting and vibrant centers of social activity and cuisine.

This changed in the 1980s with the explosion of full-service, independent restaurants. Today, while hotel guests look to independent restaurants rather than to hotels for an exciting and innovative dining experience, hotel owners and managers are asking two questions. First: Can hotel restaurants successfully compete against free-standing restaurants? And second: Is a profitable food and beverage department an impossible dream? The answers are yes and no.

In order to achieve profitability, food and beverage managers have to open their minds to new ideas, and abandon traditional approaches to management and operations. Hoteliers must emulate the restaurant industry innovators who have embraced new approaches and have become sophisticated marketers.

Just when hotels began to address the threat from independent restaurants, the market dynamics changed again. In the 1990s, grocery stores and other retail businesses (such as department stores) opened in-store restaurants and take-away operations, giving hotel guests even more options for their mealtime needs. Guests are no longer willing to patronize generic hotel restaurants because their expectations and options are far greater.

However, gaining approval for funds to improve hotel restaurants and menus is not easy. Food and beverage directors compete with other hotel profit centers for funds from the owners. Developers and owners have become increasingly disenchanted with investing in food and beverage operations.

So what can be done?

Some hotels simply are abandoning their food and beverage operations. However, this approach is myopic. A better approach is for the hotel industry to reinvent its management style and implement a new model for food and beverage operations.

The traditional food and beverage model utilizes a sequential six-step process: purchasing, receiving, storage, issuing, production and sales. Historically, this was logical. Over the years, a complex web of systems and procedures was developed for each step in this process. These evolved into industry customs, otherwise known as standard operat-

ing procedures (or SOPs). This traditional model created an effective system of checks and balances in an era where directive-style management was prevalent. It also reinforced a traditional belief that inspection and control were necessary ingredients for success. As a result, many companies developed SOP manuals and mandated managers to enforce them.

However, in today's food and beverage environment, a system of management that relies solely on a directive style with inspection and control as its focus is doomed to failure. The SOP mentality is no longer productive. With low unemployment, employees are able to pick and choose their employers. Qualified and competent individuals are rejecting work environments where SOPs rule and inspection and control prevail.

Today's employees want to be hired not as just another "warm body," but for their intelligence and contributions. They want to participate in the governance of the business, to be "in the know" and to have control. At minimum, they want to influence their work environment.

Hotels that don't address these basic employee needs face low morale, high turnover, low productivity, and little or no creativity. Tradition quite often becomes the biggest inhibitor to food and beverage profitability.

It is time to reinvent food and beverage operations—to re-evaluate the traditional

processes and eliminate irrelevant and redundant systems. This is the first step toward the hotel industry becoming the "industry of choice" and food and beverage positions the "jobs of choice."

Further steps include paying a living wage, providing a professionally satisfying environment, and nurturing individual empowerment.

The following are critical components of a new management model:

- Establish procedures that enhance the customer's experience and perception of value.
- Enable employees to do their jobs better or increase their department's profitability.
- Establish procedures that generate usable information.
- Disseminate that information to all employees on a timely basis.
- Give employees access to the information they need to effectively do their job.
- Empower members of the organization to do their jobs with appropriate authority relative to their responsibility.
- Hold employees accountable for their empowerment.
- Put relevant systems in place to provide timely feedback on performance-based outcomes.
- Recognize and reward successful outcomes. ■

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