

# How Can BYU Catering better control foodservice costs?

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Submitted to:  
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Dear Sis. Meehan:

Within you will find my analytical report of my research on how BYU Catering can decrease their food and labor costs.

This paper is specifically geared towards the Event's Coordinators of BYU Catering, since the information I have provided gives them plentiful ideas and reasons behind them so they can bring them up in meetings with the upper management and make significant changes to improve the company.

In the paper I introduce the cause of the current problems, the problems themselves, explain the principles of foodservice organization. I then flow into reasons why some things should change and why those changes will make things go better for BYU Catering, ending with a discussion of the possible answers to the problems. Although the paper is focused on BYU Catering, the answers provided can be offered to other foodservice organizations to help decrease labor costs.

While currently studying Dietetics, considering specializing in foodservice management, I have found this research topic very applicable to my major and future career endeavors. Thank you allowing me this opportunity to research something in my field. My references are in JADA format, since it is the most common formatting style used in Dietetics (which is mostly medical).

Please feel free to contact me with any questions.

Sincerely,

Jeannine Skinner

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# How can BYU Catering better control foodservice costs?

## **Introduction**

In the workforce, a general manager has a lot of responsibility—that’s why they get paid the big bucks. Managers play multiple roles, especially in foodservice organizations. This includes foodservice at the university level, which I have been involved in for the past 2 years. Learning more and more about the subject and by working up in the system, it makes me want to give back and help the organization that has given me the chance to learn so many skills. Although managers are very good at managing organized chaos, they aren’t capable of seeing everything that happens in their organizations. In this case, two heads, or even one hundred heads, are better than one.

The hierarchy of BYU Catering is as follows: Dean Wright as the director of Dining Services, Lynne Hansen as General Manager, Restaurants & Catering, Kirk Rich as Manager, and KC Bastian as Assistant Manager. After that, there are a handful of Events Coordinators, an office manager and a few office personnel, and a handful of highly skilled chefs who are in charge of their own brigades. As for the servers, the entry-level position is the Wait Staff (BYU Dining Services). At Brigham Young University, there are over one hundred Wait Staff who are scheduled for shifts in either “set-up and serve” or “clean-up” service. Depending on the shift, a Wait Staff may direct work-related questions to an employee with more knowledge, such as a Crew Lead, a Captain, or an Events Coordinator.

After the outline of hierarchy, it is easy to see the two main costs of a foodservice business: food and labor. These are two of the inputs that feed directly into the center of the foodservice systems model (which is pictured on page 5 of this report.) Simply put, one

important responsibility that a manager has is to oversee the budget of the company (Gregoire, p. 308). If the foodservice costs are not managed well, the company can lose a lot of money and the business can experience, for lack of a better phrase, an epic fail. The purpose of this report is to describe multiple options that could be implemented in BYU Catering to decrease the food costs and labor costs of the company.

### **Methodology**

In this section, I will outline the methods I used for my research. I gathered information from a variety of sources to show I have an understanding of the food service model from many angles. I gathered most of my research from secondary sources such as textbooks, websites, and class lectures. The first textbook I studied from was *Foodservice Organizations: A Managerial and Systems Approach*, by Mary B. Gregoire. The next source used was the lecture notes from Ana Mitchell, who taught my Food Production Management class. The other textbook was exactly on this report's subject: *Analyzing and Controlling Foodservice Costs* by Keiser and other authors. The websites helped me get a grasp on suggestions other companies have claimed to help lower their business costs.

In addition to my studies, much of the research and analysis came from my first-hand experience with foodservice through BYU Catering. I am a Dietetics student at BYU interested in specializing in Food Production Management. I have almost two years of experience with BYU Catering, much of my time in a leadership position as a Captain. Although I have a lot of information, this report would have more credibility if my research included professional interviews. On the other hand, I have had opportunities to talk to the managers in personal settings while working as a captain, in which I have received tips on catering and generally how the business is run.

## Results

### Foodservice Systems Model

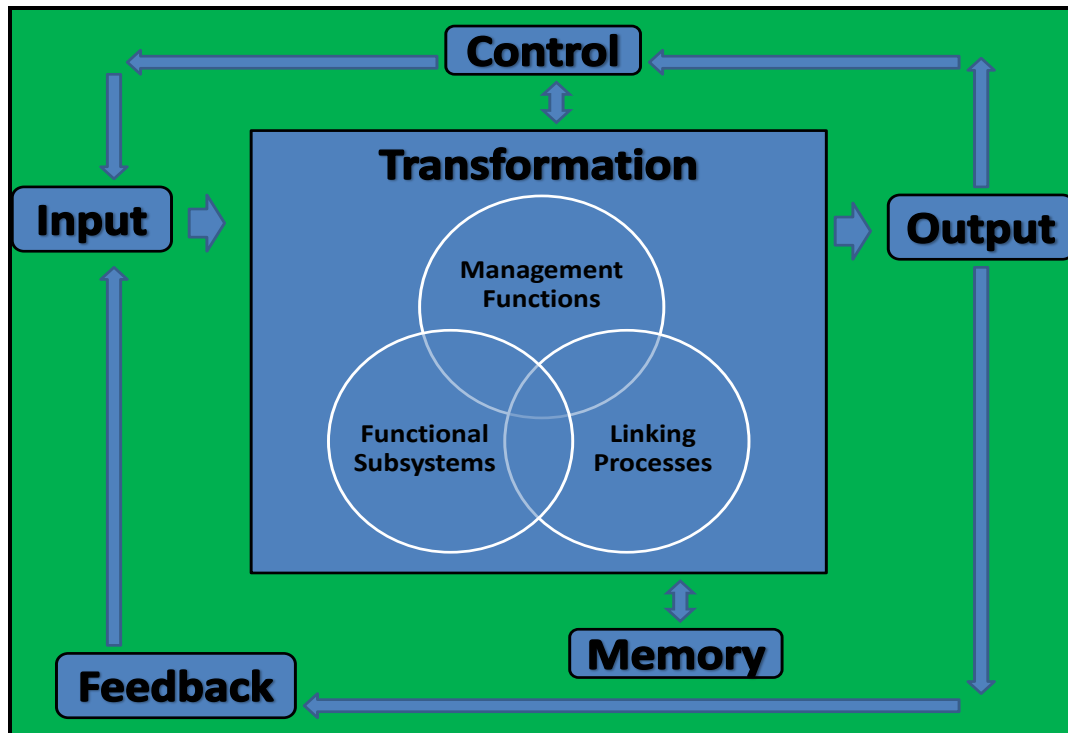


Figure 1.1 A simplified version of a foodservice systems model. (Adapted from Gregoire, p. 6)

To understand the depth of the responsibilities of a manager in this business, I will describe the basics of a common foodservice systems model. It is most easily expressed in a flow chart with interlinking parts. In the center, you find Transformation, which includes management functions (the piece that this report focuses on), functional subsystems, and linking processes. Transformation is bidirectionally connected to Memory and Control. Control acts on Input which goes into Transformation. Transformation acts on Output which acts on both Control and Feedback. Feedback leads back to Input which then feeds back into Transformation. Each section has subsections that must be managed, and in order to manage them, they must be known. Here are the following sections with their corresponding subsections and examples:

**Input:**

- Human: labor and skill
- Materials: food and supplies
- Facilities: space and equipment
- Operational: money, time, utilities, and information

**Control:**

- Plans (standing and single-use)
  - Goals and objectives
  - Standards
  - Policies and procedures
  - Programs
- Contracts
- Laws and Regulations (local, state, and federal)

**Output:**

- Meals: quantity and quality
- Customer Satisfaction
- Employee Satisfaction
- Financial Accountability

**Memory:**

- Records (financial, personnel, and forecasting)

**Manager's Responsibilities**

It may seem complicated, but learning this model is important to fully understand the importance of the management functions (FO, p. 6). Basically, the summary of management's functions is to coordinate the subsystems to accomplish the system's objectives. Those functions include planning, organizing, staffing, directing, and controlling. These functions are used to manage the operation, including human resources, finances, and marketing (FO, p. 7). Not only that, but these functions also manage the costs of food and labor. Decision making, balance, and communication are all important to change inputs to desirable outputs.

Managers have direct access to a lot of information, but not to all that influence the system. For example, they have access to budgets and amounts of food that are purchased (referring to Memory and Operational Inputs), but they rely on other subsystems to give them the information they need to make decisions (NFSMI). Some of these subsystems are the goods and services provided to customers, employee satisfaction, and feedback. These subsystems have been accomplished by implementing feedback reports from employees at the end of their shifts.

Although we are doing well in some areas, one subsystem that still needs some attention is financial accountability (which is found in the Output portion of the graphic above). The best managers are those who can assist employees in achieving organizational objectives—one objective is that of being a profitable organization. From my experience, I was so much more involved in helping the business succeed when a manager took some time to talk to me about a problem that I could help fix.

### **Experience as a Captain**

This semester I was the Captain in charge of the 2<sup>nd</sup> Floor Loge foodservice in the LaVell Edwards Stadium for football games. I could help the business save money by using the correct amount of food for the selected customers. I learned that if you have too much surplus of food, you will lose money just by creating too much food that you do not end up selling. When this was brought to my attention, I became the person of change for my area. Along with my Event Coordinator's help, we made our area more profitable by selling more of our product and decreasing the amount we created, if a product did not seem to be selling well. A manager communicating with employees is a simple way to increase employee satisfaction and, in this case, help manage labor costs. So, by increasing this action, it is likely that more employees will have greater satisfaction in their jobs, making them work harder, and therefore—help the



business save money. And in that case, it might be possible to give employees a small raise in the paycheck, or other benefit, which will further increase employee satisfaction (Keiser, p. 304).

## **Foodservice Costs**

Many costs go into a catering business and managers are responsible to understand all of the factors that may affect that aspect. What do foodservice organizations pay for anyway? Well, obviously, food! The product is just a part of the whole. Materials such as cookware, facilities such as the building and equipment, and the operational costs such as money, time, and utilities all play a role (Mitchell). Also, managers have employees. Managers are paying for their labor and skill. The manager directly receives information on these things, except for a few situations. The time used by the employees is counted directly thru an automated computer system, but the reasons why some shifts go long, are not always easy to catch. One managerial check that is currently used in BYU Catering is the use of “banquet evaluations.” These shifts that go long are paid for by the company, and they add more to foodservice costs. As an employee, I have seen things at the personal level that I want to bring to the managers’ attentions. Because of this, I think it would improve employee satisfaction by including input from Wait Staff by creating a suggestion box for the Main Kitchen. Anybody can put a suggestion in the box, and it could be checked every day by an office employee. That way, everyone would feel involved in the business. This is a suggestion for employee satisfaction, which is nice, but the next problem is a little more focused on improving the labor costs.

## **Complexity of the System**

The problem of taking too much time cleaning up has been brought up in Crew Lead and Captain meetings, but the core of the problem has not been hit. It is not necessarily just the lack of motivation to move quickly, but the lack of skill and knowledge of how to clean up using the

dishroom and where to put away the clean items. This will automatically be difficult for a foodservice organization purely because there are a lot of items that this kind of business will use (Keiser, p. 322). There are at least 5 different sizes of plates that fit into different carts, dozens of types of silverware, and many paper or plastic products that BYU Catering uses every day. There are 5 floors where things are located, and 8 different rooms where product or supplies are stored. The Flower room is especially complicated because of the sheer large number of dishes. Currently, there are only a few large buckets that are clearly marked, which causes ambiguity, and dishes can get misplaced easily if there are not places for the things to go. The lack of compartments makes it quite difficult to put clean dishes back (Keiser, p. 410).

As you can imagine with the complexity of the system, supplies can get quickly disorganized if some employees are not trained well in where to put clean things. One problem with this is the Wait Staff's responsibility falling back onto the Crew Leads or Captains. If a Wait Staff does not know where to put something, he or she might end up wandering somewhere in the five floors of the Wilkinson Center... taking up time... trying to put away an item. If he or she fails to find where it goes, the product may be placed in the wrong place out of frustration, or, if you're lucky, the Wait Staff will come back and ask a person in charge for more details of where to put the item. Of course, this question should be asked before the Wait Staff leaves the Main Kitchen, but this does not happen most of the time.



(Photo taken from Herald Extra, Freedom Festival Gala banquet in the Wilkinson Center, BYU)

### **Why should I make changes?**

- Employees can work better and faster with less instruction by a crew lead or captain.
  - If job training and orientation is re-evaluated, it can be improved and make sure that new employees are ready to experience the fast pace of foodservice.
- Events will be cleaned up more quickly, which makes everyone involved happy :)
  - If Wait Staff have some orientation in the dishroom, even a live tour to see where things go, they would be much more helpful. This can help prevent micromanaging from the Crew Lead, because micromanaging does slow things down.
- The result will be fewer accidents, and less breakage.
  - If they understand how to load and unload the dishwasher properly, there will be less breakage. Again, the Crew Lead cannot be in 5 places at once. If dishroom safety is taught, the crews will most likely be more aware of keeping things safe in the dishroom.
- Employees can focus more on customer service and less on tasks.
  - For example, if they know what to look out for at a banquet, two things will happen. They will easily know how to fix common problems, feel less stress, and therefore, have more energy available to treat the customer to an enjoyable meal.

## **How can I do it?**

The following is a compiled list of simple changes that can be made to improve the working conditions of BYU Catering.

- Make labeled compartments for dishes that belong in the Flower Room.
- Breakage of dishes is common if employees are not confident in handling hot and heavy items. One idea to combat that is to give hands-on training in the dishroom, or have employees watch a video tutorial before scheduling Wait Staff on a clean-up shift.
- Analyze current employee orientation for completeness.
- Make more online training for employees to complete.
- Make binders or signs for items that belong in each of the different locations: South Kitchen, Main Kitchen, 5th floor prop room, 1st floor prop room, etc.
- Reduction of employees with obsolete skills or unstable history of performance (Sullivan).
- Make a suggestion box, or invite suggestions for company improvement during meetings.

## **Discussion/Conclusions:**

From the research which has been done, there are many options to consider to decrease a foodservice organization's labor costs. Decreasing labor costs is something that can be managed; one example is if you know how to motivate workers to improve their productivity. From this report, I will explain a few of the possibilities that seem easy to do, and yet, practical for BYU Catering.

One idea I had while at work was to reorganize the Flower Room. Currently, as a Captain, it is easy to become frustrated while searching for items to put on my rack-up. I know they are there... somewhere... but they are not easy to find when they are scattered all around

inside of the cabinets that fill up an entire wall. I would suggest purchasing many small containers that can be labeled for the different supplies that the business owns. Containers should be light and sturdy, comparable to the ones we own now. Adding pictures to the front of each container would be helpful as well. The Flower Room has been ignored for too long, and it really needs a new style. One last idea with this section is deciding on a location to put things if an employee has no idea where to put it. The end of the counter, directly across from the centerpiece coolers, seems like a logical place to put them because it is a medial location. And, as soon as every employee gets notified of this new plan, things will run much more smoothly, and our precious items will not get “lost” as often.

Breakage of dishes is common. From observation and research, there are a few different things that can help to prevent this common, and sad, occurrence. First, we need to make the new employees feel comfortable in the dishroom. The dishroom does not have to be a dreadful place. It can be a fun atmosphere with music in the background, and as soon as the employees are trained on how to load and unload some of the difficult dishes, the environment will be even more pleasant. Training needs to be focused on special items such as goblet racks, plates, dressing boats, cutting boards, and metal pans. Many new employees come into the dishroom having no idea where to start, and this can easily end up in chaos. Part of the problem may be inexperience from the Crew Leads, but some responsibility should still fall on Wait Staff. They must understand that some dishes may be hot and/or heavy, so watching a tutorial or live demonstration of how to handle difficult objects would be very beneficial.

Employee hiring and orientation is a huge cost of a foodservice organization, but if it is done well, the results will be worth the hours and effort. I haven't been to a new employee orientation in over a year, so I don't know how things have changed, but if employees are not

being trained on how to set up a table well, this needs to be changed because I have seen poor performance. There are little details that can be taught along the way, but I feel like setting up a table should be one of the first things new employees learn how to do.

If physical training seems irrational, another idea is to create training videos. These are simple for employees to complete and it may save time in the long run for everyone involved. Also, because there are so many locations where materials belong, it might be a good idea to create clear signs of where things go, or re-train the employees in leadership positions of where things belong so they will have better answers for those types of questions.

There is such a high turnover of employees, one reason being that most, if not all, of the employees are students (Keiser, p. 313). Because of this, BYU Catering probably does not need to focus too much on reducing less qualified employees. I'm not saying we should get rid of the firing policy, dealing with no-shows. My point is that we don't have to focus on improving this specific area of management, but rather focus on making the business, itself, better.

My last point is to include a suggestion box, or other means to improve employee benefits. If you want to have happy employees, you need to think of ways to complement them and help them see why they can enjoy working at BYU Catering. I believe this industry is a very fun environment, and the situation can be improved, if we consider some of the aforementioned changes.

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