

## **OVERVIEW OF ON-PREMISE CATERING**

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On-premise catering is considered to be any function—banquet, reception, or event—that is held on the physical premises of the venue or facility that is producing the function. On-premise catering differs from off-premise catering, where the function takes place in a remote or off-site location, such as a client’s home, a park, an art gallery, a museum, or even a parking lot, and where the staff, food, and decor must be transported to that location.

While some on-premise caterers offer off-premise catering, most do not “cater out.” A few of them, though, particularly hotels and restaurants, have entered the off-premise catering market and are capable of providing off-site production and service. Particularly during economic slowdowns, hotels, restaurants, and other catering venues have begun looking to capture additional revenues by expanding their off-site options. While exact statistics are not kept for these two segments, it is estimated that on-premise catering accounts for about two-thirds of all catering sales in the United States, with off-premise catering accounting for the remaining one-third.

Generally speaking, each catered event, on- or off-premise, has one host and one bill, although some events are paid for in cash by individual guests, either in part or in full.

Catering, both on-premise and off-premise, has enjoyed success and growth over the years. It is thought that catering and take-out will generate considerable growth in U.S. foodservice sales throughout the foreseeable future. This generally holds true even during recessions, as people still celebrate marriages, birthdays, anniversaries, and various corporate events, though they may be scaled back.

Every day thousands of business and social groups get together to hold meetings and enjoy other people's company and the variety of refreshments that are usually found at these gatherings. Groups generally prefer professionally prepared and served food and beverages. This allows hosts to concentrate solely on their personal, social, and business activities while simultaneously enjoying the events. And, as a bonus, they can leave the cleanup to someone else.

On-premise caterers—such as hotels, convention centers, conference centers, private city and country clubs, and restaurants with banquet rooms or event space—usually have the advantage of offering many services under one roof. They can also provide sufficient space to house the entire event and plenty of parking.

Many localities have other spaces where events can be held, such as independent banquet halls, civic auditoriums, stadiums, arenas, ethnic social clubs, fraternal organizations, women's clubs, athletic clubs, hospitals, universities, libraries, executive dining rooms in office buildings or corporate headquarters, churches, recreation rooms in large apartment or condominium complexes, retirement communities, parks, fairgrounds, museums, and aquariums. Some of these facilities are often very competitive, as they have more flexible price structures due to their lower overhead expenses. Some are public facilities and are tax-exempt. A number of these facilities provide their own catering in-house, while others are leased to and operated by contract foodservice companies that have exclusive contracts. Still others will rent their facilities to off-premise caterers and usually have a list of preferred or approved caterers.

Another competitor for catering business is the proliferation of take-out services. Many supermarkets, warehouse clubs, and department stores have

developed gourmet take-out, deli, and bakery facilities and can produce beautiful, reasonably priced buffet platters and specialty items. More and more restaurants are heavily engaged in take-out business, particularly around the holidays. However, catering out may disrupt the normal workflow and efficiency of the operation, can damage morale, and can skew ordering and purchasing routines if not properly monitored.

Off-premise functions can be a significant source of additional sales revenue and profits for those catering organizations that have the necessary equipment and personnel to handle large off-site catered affairs. However, unless the company is set up to do this correctly, the work can be too distracting and the added expense could wipe out any incremental profits. For example, transporting perishable food requires a refrigerated truck or a lot of ice to maintain safe food temperatures.

Staffing is also an issue. Servers in on-premise facilities are accustomed to a division of labor and often are not pleased when they are asked to do tasks off-site that are not required when in the facility. In most facilities, servers do not set up tables, chairs, and equipment or do the cleaning, hauling, and other duties that are required at an off-premise site. There may also be union implications if job descriptions are violated.

## TYPES OF CATERING

Catering can be classified as social catering or corporate (business) catering. Social catering includes such events as weddings, bar/bat mitzvahs, high school reunions, birthday parties, and charity events. In most markets, it is estimated that social catering accounts for about 25 percent of all catering sales.

Business catering includes such events as association conventions and meetings, civic meetings, corporate sales or stockholder meetings, recognition banquets, product launches, educational training sessions, seller-buyer entertaining, service awards banquets, or hospitality suites. It is estimated that business catering accounts for about 75 percent of all catering sales in most markets. This is due to the sheer volume of people served daily at meetings in hotels, arenas, and convention centers, where meals for thousands are produced regularly.

Some mobile caterers, with the proper equipment, provide complete meal production and service on location. For instance, a few companies specialize in feeding firefighters working in remote areas; disaster relief workers; concert, movie, and television production staff on location; people taking extended camping trips or on fishing/rafting excursions; construction workers on-site; and so on.

## TYPES OF CATERERS

### *Hotel Catering*

The hotel caterer often has an advantage in this competitive business because normally it can offer many services under one roof as well as sufficient space to house the entire event, including sleeping rooms, thereby enticing the customer with a one-stop shopping opportunity. In addition, if a client is able to book all or a large percentage of the sleeping rooms in the hotel, he or she may receive catering concessions because of the sleeping room revenue that comes with booking the group at the hotel.

Hotels can have anywhere from less than 5,000 square feet of meeting and event space to 1 million or more square feet. Some hotels are also able to do events in other areas of the hotel, such as the pool area, restaurants that may be closed for lunch, showrooms, and so on.

An upscale hotel can provide a more glamorous and exciting location, in addition to upgraded service and amenities. Resorts often have additional options to hold outdoor functions at remote locations on the property. For example, at one time, the Pointe Hilton at Tapatio Cliffs Resort in Phoenix, Arizona, had a special hayride party where guests were transported by horse-drawn wagon to a hill-top where they enjoyed a mountainside barbecue with all the trimmings.

### *Convention Center Catering*

Most convention centers are public facilities and foodservice is contracted out to companies such as Aramark or Sodexo. Convention centers primarily attract business catering, as the facilities generally are built for trade shows, association meetings, and corporate events. Venues are typically classified as a convention

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center if they have at least 25,000 square feet of exhibit space in addition to other meeting and event rooms. While they may have some upscale rooms targeted at high-end social events, the main purpose of these facilities is to attract groups of people to the city to fill hotel sleeping rooms and bring revenue to the city's overall economy.

### *Conference Center Catering*

Conference centers are similar to convention centers in that they have a variety of meeting and banquet rooms. They differ in that while they may be able to accommodate small exhibit setups, they do not have an exhibit hall.

Most conference center catering is done buffet-style in a common dining hall. Attendees are assigned sections of the dining hall and certain time ranges, so not all groups are hitting the buffet at one time. They usually have private dining rooms for special meals. Some even have restaurants.

Conference centers operate on a complete meeting package (CMP) plan, which means that guests pay one price for sleeping room, food, meeting space, and audiovisual and related services. There would be additional costs for alcoholic beverages or for dining in the restaurant.

Conference centers are also noted for the permanent refreshment break, which is available all day instead of only at predetermined times. This allows a group the flexibility to break when it is convenient.

### *Restaurant Catering*

Some restaurants have attached banquet or private dining rooms that can be used for catered events. It is expensive to maintain a room that might be empty three or four nights per week, though, so the banquet room is often used as overflow restaurant dining space on busy nights. A restaurant may also be willing to close the entire restaurant for a private event if the group does a "buyout" of the entire facility. The restaurant or catering manager who books these events must be certain, though, that the revenue gained from the event is greater than the revenue that would be realized if the restaurant was open to the general public. Additionally, closing the restaurant to the public could potentially harm future sales, as guests may not be willing to go there on

another night not knowing if the establishment will be open to the public or closed for a private event.

A restaurant can book many small functions if it takes the time to court this business. One type of business that a restaurant generally can pursue is regular, ongoing meetings. Examples of these events include meetings of Toastmasters, local associations, and fraternal organizations such as Rotary Club and Kiwanis. A hotel, though, often is not able to commit to these types of ongoing events, as they tie up space that may be needed for a large property-wide conference.

### *Private Club Catering*

Private clubs do a great deal of catering for their members. Country clubs concentrate mainly on social events, such as weddings and dances, often because of their built-in amenities such as golf courses or lovely pools that make for attractive photograph locations. In-town clubs specialize in business catering, such as corporate meetings, board luncheons, and civic events.

An average club has less space and fewer staff than many hotels or large restaurants, so the catering director there likely will wear many hats.

Private clubs are limited in the amount of outside business they may accept. However, if the group has a participant who is a member of the club, the member can sponsor the event.

For more information on private membership clubs, visit the Club Managers Association of America website at [www.cmaa.org](http://www.cmaa.org).

### *Stadium and Arena Catering*

Stadiums and arenas generally cater for a wide variety of events. This includes both publicly ticketed events (for example, meals served in dressing rooms, crew meals, pre- or post-event VIP parties) and events that are booked for private companies, organizations, and individuals. Their size and location often influence the type of events they attract. These venues may offer an appealing alternative to a hotel or convention center for large corporate events. They may also appeal to more budget-conscious groups, particularly if they are located on a college campus that is looking to fill dates between major events.

Many stadiums and arenas also offer catering in VIP and luxury suites along with other exclusive areas within the venue such as a club level or sky lounge.

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These areas have restricted access and generally either are available through special-purchase tickets or are leased for a specified period of time by an individual or company. For example, a company may lease on an annual basis a private suite that it uses to host clients, potential clients, and other invited guests during events. The company will then work with the catering executive to have various high-end food and beverages available for its guests. The club level is generally a larger common area that guests purchase tickets for either on an event-by-event basis or for a specified period of time. These areas are usually in a preferred area and have higher-end seating, restrooms, and amenities than the general arena. In outdoor stadiums, both suites and club levels are most often indoors with additional outdoor seating, giving guests the option to remain indoors if the weather is not favorable during an event. Typically there is complimentary food available along with either complimentary or reduced-price beverages. With anywhere from twenty to more than a hundred suites and one or more club-level areas per stadium or arena, this can represent a significant amount of catering.

### *Casino Catering*

In many regards, casino catering is similar to hotel catering, as most casinos with sizeable event space are located within a hotel.

One notable difference is the order in which events may be booked. In a non-gaming hotel, the sales department has the first opportunity to book event space to groups that require sleeping rooms, as those groups bring in more overall revenue to the hotel. Catering-only events (with ten or fewer sleeping rooms required per night) are then able to fill in within a given window of time, such as thirty, sixty, or ninety days prior to the date. In some markets, particularly those that do a lot of social business, catering-only events are permitted to book weekend events further out, while weekdays are still reserved for corporate business.

In gaming hotels, though, there is a third element to factor in: the needs of the casino marketing department. This is the department responsible for developing events that will attract high-stakes gamblers to the property. These events may range from a simple slot tournament to an elaborate New Year's Eve gala. The catering

department will then work with casino marketing to develop and implement the theme for each of these events. In casinos where gaming revenue is the hotel's largest revenue source, these events are given first priority when booking space, followed by business events with large sleeping room needs, and last by catering-only events.

### *Other Types of Catering Operations*

For-profit hospitals do a good amount of catering business for medical meetings and staff functions. In most cases, they compete directly with hotels or high-end restaurants for these functions.

There are several types of tax-exempt organizations that offer catering services to anyone willing to pay for them. For instance, universities, colleges, hospitals, libraries, churches, museums, and military clubs vigorously compete for these events, which help subsidize their primary, nonprofit activities. Many taxpaying catering businesses are especially unhappy with these nonprofit competitors; however, nonprofit groups consistently fight any type of government restraints on these activities.

Contract foodservice companies operate many facilities that are capable of supporting catering events. For instance, many of these firms operate foodservice in large office buildings, where executive dining rooms can be used for special parties and meetings. Some contract foodservice companies also are capable of handling off-premise catering functions.

Take-out and delivery business accounts for an ever-increasing proportion of total U.S. foodservice sales. While it has been very successful for restaurants, it is unlikely that most hotel caterers would want to compete heavily in these business segments. However, in some cases hotel properties have done so quite successfully. For example, at Marriott's Camelback Inn in Scottsdale, Arizona, residents living next to its golf courses can dial the hotel's room service department. A room service server hops on a golf cart and delivers the finished products. The hotel also takes orders for box lunches.

Off-premise catering is done at an off-site location where everything must be transported to that location. Often, off-premise catering involves producing food at a central kitchen with delivery to and service provided at a client's location.



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Part or all of the production of food can be executed or finished at the event location. Often off-premise caterers must rely on generators for electricity, truck in potable water, devise a trash system, and otherwise “rough it.” Off-premise caterers work in a different environment for virtually every event and have available only what they bring with them.

Usually the biggest barrier facing the on-premise caterer who wants to get involved with off-premise catering is the lack of adequate vehicles. One way for hotels, stadiums, arenas, or convention centers to get around this stumbling block is to borrow another department’s truck or van. Another method used is to rent old UPS vans, milk trucks, or laundry trucks; they work well because they back up readily to loading docks and equipment can be rolled in very easily. The only problem with these strategies, though, is unless the vehicles meet local health district codes, you cannot use them to transport food.

If a regular client requests off-premise catering, it is not smart to refuse the request. If you cannot handle the request, it is best to refer the client to a reputable off-premise caterer whose standards and reputation parallel yours. It is a mistake to refer the client to an unknown off-premise caterer who does not share your standards.

Even though off-premise projects may be minimally profitable for some catering organizations, a few may be willing to get involved with them in order to satisfy good clients. These caterers may decide to maintain vending machines, prepare box lunches, cater an off-site picnic, stock the sleeping rooms’ in-room bar cabinets, and so forth, rather than divert this business to competitors.

One form of off-premise catering provided by many on-premise caterers is the box lunch option. For instance, a group may request individual box lunches for a day when they will be taking a bus tour. Alternatively, a catering and/or kitchen employee could pack foods and beverages, ride with the group, and set up a small picnic-style buffet at a rest stop location.

It would appear that sooner or later, the on-premise caterer will get involved with some type of off-premise catering function. As the costs of business increase every year, so too does the need to seek out other forms of business. At the very

least, you must be prepared to handle the occasional request or else risk losing current and future business.

## CATERING DEPARTMENT MANAGEMENT FUNCTIONS

The person in charge of the catering department must perform the normal management functions. Whether a one-person department in a restaurant or a convention center with a staff of thirty, the catering department manager(s) must engage in the following:

1. *Selling.* The catering department must first book events by obtaining new clients and/or working with previous clients. This is accomplished through various forms of advertising, attending industry-related and networking events, prospecting for new clients, cultivating relationships with existing clients, and so on. Once a potential event is identified, the catering manager will do site visits as needed, prepare contracts, and work with the client on all aspects of the event.

2. *Planning.* The catering department must accomplish its financial and non-financial objectives. To do so, it must develop appropriate marketing, production, and service procedures. It also must ensure that the department's operating budgets and other action plans are consistent with the facility's overall company objectives.

3. *Organizing.* The catering department must organize the human and other resources needed to follow the plan. Staff members must be recruited and trained, work schedules must be prepared, and performance evaluations must be administered.

4. *Directing.* Employee supervision is an integral part of every supervisor's job. Supervisory style will emanate from top management. The catering department's supervisory procedures must be consistent with company policies.

5. *Controlling.* The catering department manager must make certain that actual performance corresponds with planned performance. Effective financial controls ensure that actual profit and loss statements are consistent with pro forma budgets. And effective quality controls mean that production and service will meet company standards.

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## CATERING DEPARTMENT OBJECTIVES

Catering departments have a variety of objectives. The weight given to each one will depend on company policy. Some of the most common objectives are:

1. *Earn a fair profit on assets invested in the catering business.* Assets include both hard cost items, such as furniture, fixtures, equipment, and small wares, that are needed before any events may take place, and soft cost items, such as supplies, linens, and food and beverages, that are needed for specific events.

2. *Generate sufficient catering sales volume, enough to defray all expenses and leave a fair profit.* Caterers must be careful not to generate a lot of business that will not pay for itself. They must practice selective sales strategies in order to maximize profits. Usually the only time a catering executive should consider booking a marginally profitable event is if it is a party designed to show off the catering facilities, such as a charity event. It may also be contemplated if the property wants to host VIPs who may indirectly generate future catering revenues, or if the event occurs during the slow season and will keep part-time staff employed.

3. *Deliver customer satisfaction.* This will lead to repeat patronage as well as positive referrals. Any foodservice operation thrives on repeat patronage; the same holds true for the catering segment.

4. *Provide consistent quality and service.* Customers are happy when the actual quality and service received parallel those that were promised. Punctuality and consistency are hallmarks of the well-run catering department.

5. *Convey a particular image.* Caterers often want to be known as specialists in certain types of products and services, such as weddings or unusual themed events. They strive to be unique because they want customers to think of them whenever a specific atmosphere or ambience is required. Catering is often a facility's most visible characteristic on the local and national levels. It alone has the most potential to become a facility's "signature," that is, its major claim to fame.

6. *Develop a reputation for dependability.* Regardless of the pressure that any event places on the staff, catering departments want clients to have confidence that their needs will be met. The catering department must serve as an effective liaison between clients and all of the company's services.

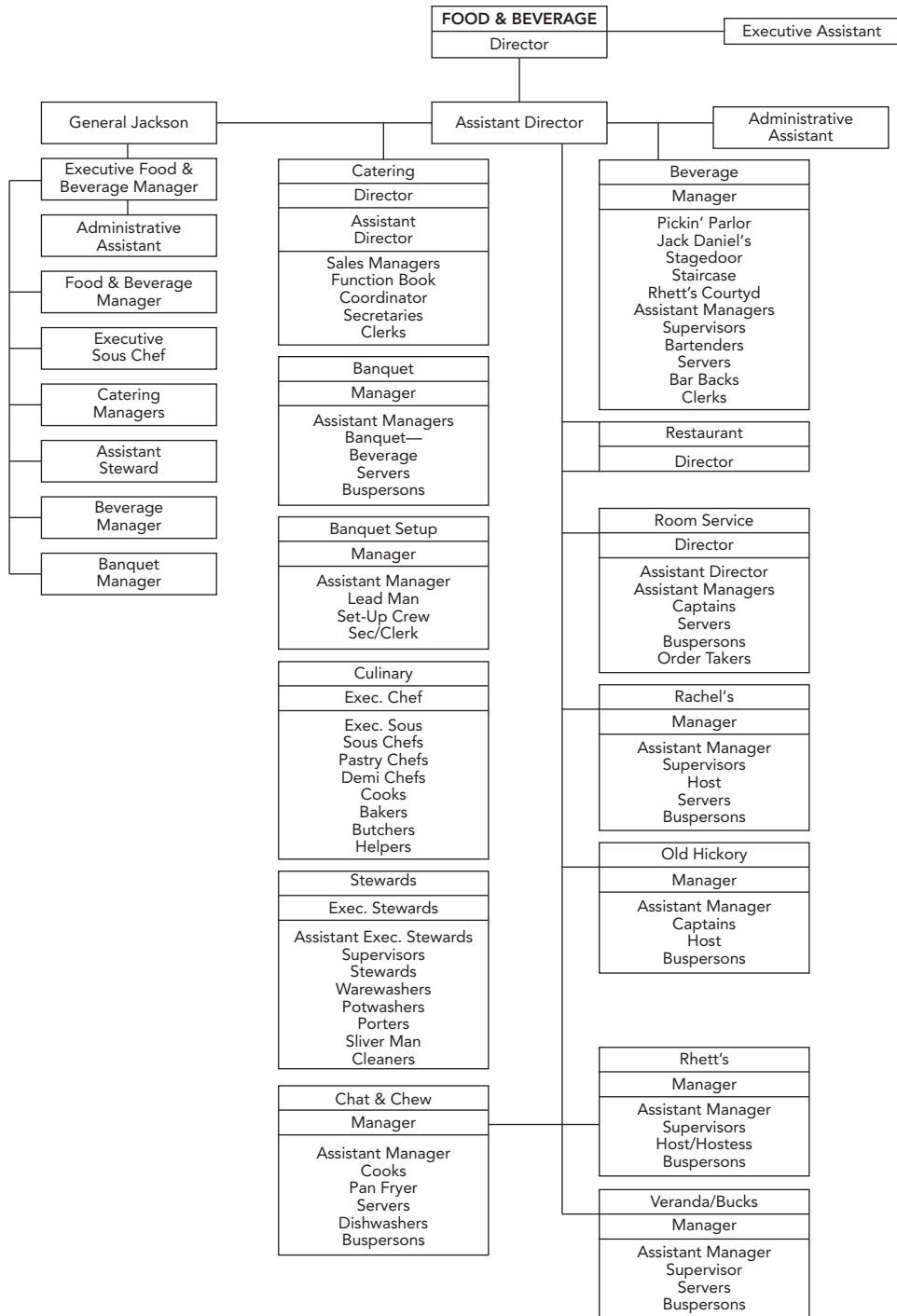
7. *Develop a reputation for flexibility.* To be dependable, the typical caterer must be flexible. The catering department must be able to react on a moment's notice. Clients will remember fondly a company that bailed them out at the last minute.

8. *Deliver what was promised.* It is important to stay within the budget that was discussed with the client by not adding unexpected charges. If clients request an item or service on-site that will increase the bill, it is imperative to let them know of the charge at the time of request and have them approve the increase on the banquet check. Delivering what was promised, at the price agreed upon, is essential for developing and maintaining good client relationships and ensuring repeat business.

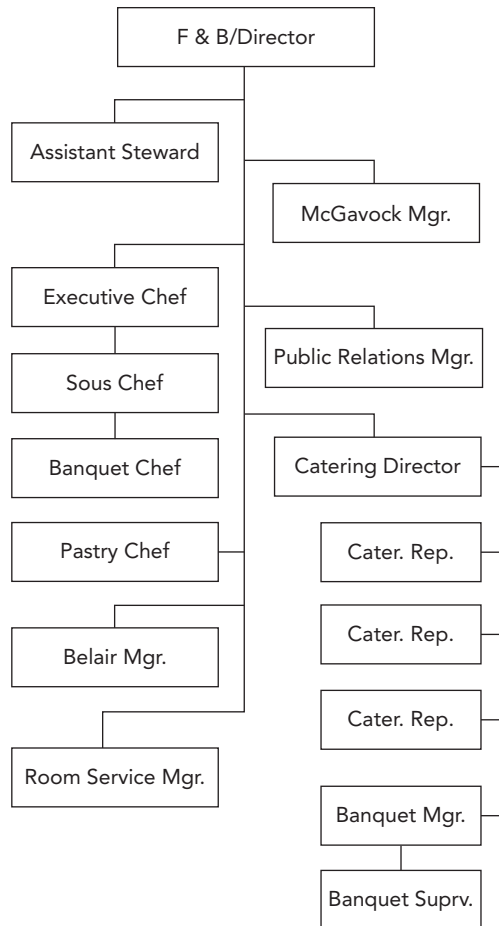
## CATERING DEPARTMENT ORGANIZATION

Catering departments are organized according to the needs and size of the particular organization. With a hotel, often the primary profit center is its sleeping rooms, with the catering department usually being the second most profitable department. Consequently, all hotel departments generally are organized and administered to maximize the sales and profits of sleeping rooms and catered functions. The exception to this would be a gaming hotel, notably those in Las Vegas and Atlantic City, where often gaming revenues bring in the most profit, as discussed previously.

There are two general types of hotel catering department organizations. In one form, the department is organized in such a way that all catering personnel are under the supervision of the hotel's food and beverage director. (See Figures 1.1 and 1.2.) Most non-hotel-based catering facilities also use this structure. In this method, the food and beverage director is responsible for the hotel's kitchens, restaurant outlets, and banquet operations as well as for client solicitation and service. Under this structure, catering must secure the right to sell function space from the sales department, which controls meeting space. However, meetings are often booked years in advance, and savvy meeting planners, not knowing all of their space needs that far in advance, will institute a "hold all space" clause in their contracts; sales managers are often reluctant to call their clients and ask



**FIGURE 1.1** Food and beverage department organization chart. (Courtesy Opryland Hotel, Nashville, Tennessee.)



**FIGURE 1.2** Food and beverage department organization chart. (Courtesy Music City Sheraton Corporation.)

them to release space that they are holding for a meeting they have booked. In this organization structure, convention services managers are primarily responsible for room setup, not food or beverage.

Alternatively, the catering department may be organized so that catering sales personnel are under the supervision of the sales and marketing director, while other employees, especially the banquet servers, may or may not report to the food and beverage director (see Figure 1.3, pages 16–17). In this situation,

there is generally a director of catering and convention services, who must work closely with the director of sales and marketing as well as with the food and beverage director.

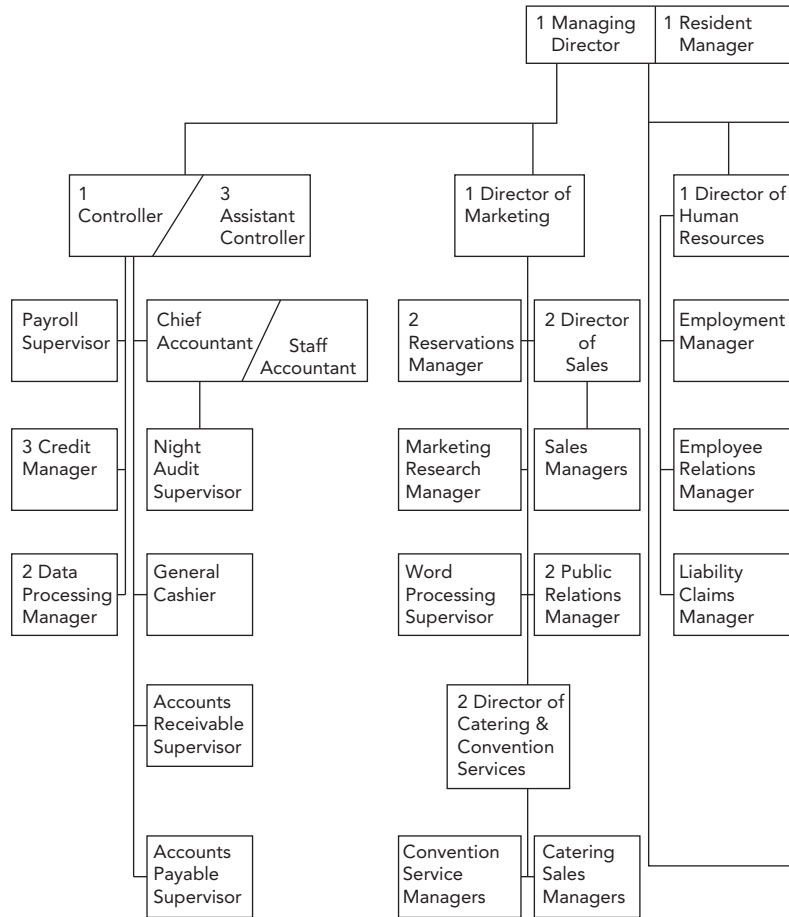
Catering managers and convention services managers would be in the same department, both taking care of the food, beverage, and room setup needs of the clients. Convention service managers don't sell the event but take over client business booked by sales and marketing. They handle the planning and logistics of any meals or receptions and develop the appropriate service procedures needed to plan and implement successful and profitable catered events. In this scenario, the only type of selling the convention services managers would do would be "upselling," such as trying to get the client to purchase a more expensive meal, wine, or service. Catering managers sell food and beverage events to the local market or to functions without sleeping rooms, such as weddings, local banquets, and so on. With the revenue of catering being the responsibility of the sales and marketing director, rather than food and beverage, sales managers are more likely to call clients to get rooms released for local events.

In the second type of organizational pattern, the sales and marketing and food and beverage directors split the workload and oversee catering sales and service. In some hotels, convention services personnel handle room setup and any food function that uses more than twenty sleeping rooms, while the catering department handles all local functions. In other hotels, the catering department handles all food and beverage service, while convention services personnel take care of all non-food-related logistics, such as function room setups and teardowns, sleeping room arrangements, and so forth.

There are advantages and disadvantages to each organizational form.

The major advantages associated with the organizational forms depicted in Figures 1.1 and 1.2 are:

1. *Increased efficiency.* Clients work with one designated person who has the authority to oversee the event from inception to completion. Last-minute requests and changes can be implemented quickly.
2. *Isolated responsibility.* Responsibility is assigned to one person. Management and clients know exactly whom to contact if questions arise. It is a very critical



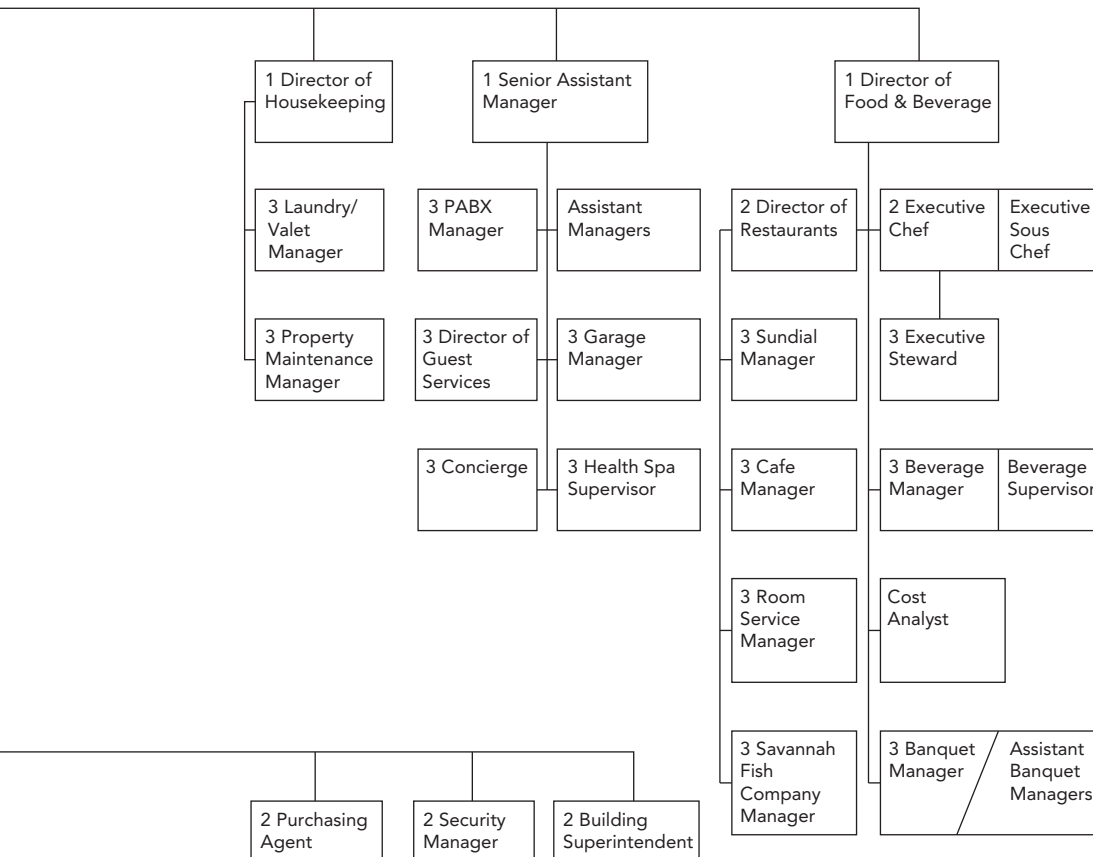
Key:  
 1 - Executive Committee/Operations Committee and Department Head  
 2 - Operations Committee and Department Head  
 3 - Department Head

**FIGURE 1.3** Hotel organization chart. (Courtesy Westin Peachtree Plaza Hotel, Atlanta, Georgia.)

position in that the contact person is responsible for translating a client’s needs and wishes into reality.

**3. Job enrichment.** A person in charge of all aspects of an event enjoys more variety than does the person involved with only one or two aspects.





**FIGURE 1.3** (Continued).

4. *Repeat patronage.* When clients deal with one person, there are additional opportunities to solicit repeat patronage and referrals.

5. *Improved communications.* Since there are fewer people in the communications chain, ambiguities and misinterpretations should be minimal.

6. *Focus.* Each manager will have fewer groups he or she is working with, and so will have more time to focus on each group, rather than dividing his or her attention among more clients.

The major disadvantages of the organizational forms depicted in Figures 1.1 and 1.2 are:

1. *Excessive workload.* One person may not have enough hours in the day to perform all the necessary tasks, particularly with large, complex groups.

2. *Too many bosses.* The food and beverage department cannot be totally isolated; it must interact to some degree with the sales and marketing department. Unfortunately, this overlap may violate established chain-of-command policies unless the relationships are spelled out clearly.

3. *Lack of specialization.* Some industry experts feel that it is difficult to train one person to be an expert in many areas.

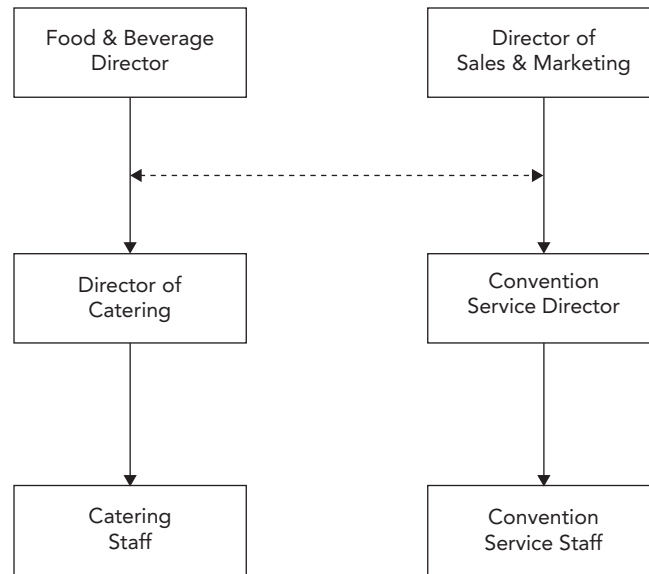
4. *Excessive delegation.* If one person is not expert in all areas, the odds are that he or she will delegate responsibility freely. This can defeat the positive aspects of including all tasks under one person's direction. It also can confuse catering support staff members.

The advantages and disadvantages associated with the organizational form depicted in Figure 1.3 are the opposite of those associated with the organizational form depicted in Figures 1.1 and 1.2.

Which organizational form is appropriate? As a general rule, catering department organization will be influenced by the support of upper management and by the size of the facility, the types of functions catered, corporate policy, and the overall level of service offered by the facility.

While there is no one single organizational form suitable for all properties, and it is possible to adapt elements of each to create a hybrid that works best for the individual property, it would appear that the most traditional organizational pattern is the one depicted in Figure 1.4. In this case, the catering and convention services staffs work together, each handling specific activities. Catering typically handles all food and beverage requirements, while convention services handles all non-food-related arrangements.

In recent years, though, the industry has seen a shift in this division of labor. It is becoming increasingly more common to see a combined position, such as



**FIGURE 1.4** Typical catering organizational pattern.

catering/convention services or meeting/events manager, that handles all of a group's needs.

### *Catering Staff Positions*

All types of catering organizations require a variety of staff positions in order to operate effectively and efficiently. Depending on the type of catered event, they may also rely on other departments' employees to handle food and beverage functions. In a large facility, the typical positions needed to service clients are:

1. Director of catering (DOC) or director of catering and convention services (DOC/CS)
2. Assistant (or associate) director of catering (ADOC)
3. Senior catering manager
4. Catering (or catering sales) manager
5. Catering sales representative (or coordinator)
6. Director of convention (or conference) services

7. Convention (or conference) service manager
8. Banquet manager
9. Banquet setup manager
10. Assistant banquet manager
11. Captain
12. Server
13. Busperson (or buser)
14. Food runner (or food steward)
15. Bartender
16. Bar back
17. Cashier
18. Sommelier
19. Houseman (or porter)
20. Attendant (or ticket taker, or usher)
21. Administrative assistant
22. Engineer
23. Audiovisual technician
24. Steward
25. Security
26. Room service manager

### *Job Descriptions*

A job description contains a list of duties an employee must perform. It also may include the job candidate's manager, job performance evaluation criteria, job objectives, and a career path.

Sample abbreviated job descriptions for the staff positions involved directly or indirectly with catering are:

1. *Director of catering (DOC), or director of catering and convention services (DOC/CS)*. Assigns and oversees all functions; oversees all marketing and sales efforts; interacts with clients and catering managers; coordinates with sales staff; creates menus (in cooperation with the chef and the food and beverage director).

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2. *Assistant (or associate) director of catering (ADOC)*. Services accounts; helps with marketing and sales. In larger catering operations, may fulfill some of the responsibilities of the DOC.
  3. *Senior catering manager*. Seasoned catering manager; handles large or special groups.
  4. *Catering (or catering sales) manager*. Maintains client contacts; services accounts.
  5. *Catering sales representative (or coordinator)*. May be involved only in selling; handles outside sales and/or inside sales. In larger properties, this may be an entry-level, junior position that services only smaller events, whereas in some smaller facilities, jobs 3, 4, and 5 are one and the same. The rule of thumb in these smaller properties seems to be “If you book it, you work it.”
  6. *Director of convention (or conference) services*. Generally a position in larger hotels; assigns and oversees all convention functions; interacts with clients and convention (or conference) service managers.
  7. *Convention (or conference) service manager*. Handles room setup in hotels, conference centers, and/or convention centers; sometimes handles catering for meetings and conventions.
  8. *Banquet manager*. Implements the DOC’s requests; oversees captains; supervises all functions in progress; staffs and schedules servers and bartenders; coordinates all support departments. He or she is the operations director, as opposed to catering sales executives, who handle primarily the selling and planning chores.
  9. *Banquet setup manager*. Supervises the banquet setup crew (housemen); orders tables, chairs, and other room equipment from storage; supervises teardown of event.
  10. *Assistant banquet manager*. Reports to banquet manager; supervises table settings and decor. There may be two (or more) assistants, one for the day shift and one for the evening shift.
  11. *Captain*. In charge of service at meal functions; typically oversees all activity in the entire function room or a portion of it during a meal; supervises servers.

12. *Server*. There are two types: food servers and cocktail servers. Food servers deliver food, wine, nonalcoholic beverages, and utensils to tables; clear tables; and attend to guest needs. Cocktail servers perform similar duties but concentrate on serving alcoholic beverages, usually at receptions.
13. *Busperson (or buser)*. Provides backup to servers; the primary responsibilities are to clear tables, restock side stands, empty waste receptacles, and serve iced water, rolls, butter, and condiments.
14. *Food runner (or food steward)*. Prepares finished food products noted on banquet event orders (BEOs). Responsible for having them ready and in place according to schedule.
15. *Bartender*. Concentrates on alcoholic beverage production and service.
16. *Bar back*. Provides backup and assistance to bartenders; the primary responsibilities are to stock initially and replenish the bars with liquor, ice, glassware, and other supplies, and to empty waste receptacles.
17. *Cashier*. Collects cash at cash bars; sells drink tickets; may also sell meal tickets.
18. *Sommelier*. A trained wine steward who specializes in all aspects of wine service, including food and wine pairing. Usually used only at upscale events.
19. *Houseman (or porter)*. Physically sets up rooms with risers, tables, chairs, and other necessary equipment; reports to assistant banquet manager.
20. *Attendant*. Refreshes meeting rooms, that is, does spot cleaning and trash removal during break periods and replenishes supplies such as notepads, pencils, and iced water; responds to requests for service by meeting function hosts. Some catered functions may require restroom attendants. And some events may require coat check personnel, ticket takers, ushers, or parking attendants.
21. *Administrative assistant*. Handles routine correspondence; types contracts; types BEOs; handles and routes telephone messages; distributes documents to relevant staff members and other departments.
22. *Engineer*. Provides necessary utility services, such as setting up electrical panels for major exhibits; hangs banners; prepares special platforms and displays; sets up exhibits; maintains catering furniture, fixtures, and equipment (FFE).

23. *Audiovisual technician.* Handles audiovisual (AV) and lighting installation, teardown, and service.
24. *Steward.* Delivers requisitioned china, glass, flatware, salt and pepper shakers, and other similar items to function rooms, kitchens, and bar areas. May also be responsible for putting away these items after each event and performing routine maintenance on the equipment.
25. *Security.* Primarily responsible for crowd control and the safety of guests and employees. May also provide additional services, such as personal bodyguards for an event's high-profile speaker.
26. *Room service manager.* In large hotels, room service typically handles hospitality suites, which are held in a hotel suite on a sleeping room floor. Clients work with the room service manager to plan the service for this type of function. Generally the catering department is involved only when selling the event and/or the hospitality suite is held in a public area.

## CATERING DEPARTMENT POLICIES

The facility must establish policies to guide the catering department's relations with clients. The typical policies include:

1. *Food and beverage prices.* These must be clearly listed. It is a good idea to note that any listed prices are subject to change; in other words, the caterer should not assume responsibility if potential clients are viewing outdated menus. Usually caterers note that published menu prices are subject to change unless firm price guarantees are negotiated and noted on a catering contract. All printed menus should be dated to ensure that the client is not looking at an outdated version.

2. *Taxes.* Clients must be informed that all relevant state and local consumption taxes, such as sales tax and entertainment tax, will be added to the catering prices. It is helpful to the client when applicable taxes are stated on the menu. Tax-exempt clients usually must furnish an exemption certificate to the caterer prior to the event.

3. *Gratuities or service charges.* These are automatic charges added to the catering (and in some locations to the audiovisual) prices. Most organizations

add an 18 to 23 percent gratuity to the bill. You cannot assume that all clients are aware of these traditional charges; inform them up front. Most gratuities go directly to the service staff (though sometimes a portion goes to middle management personnel, such as a catering or banquet manager).

**4. *Tips.*** These are voluntary gifts over and above the required gratuity. Some clients will want to tip some or all employees if they receive exceptional service. If you have a no-tipping policy, though, clients must know about it. Most government-owned facilities do not allow tipping.

**5. *Deposits.*** The deposit procedures must be spelled out clearly. Clients must be informed of the amount(s) that must be paid, when they must be tendered, what forms of payment you accept, and how the deposit will be applied to the final billing.

**6. *Cancellations and refunds.*** While no one likes to broach a negative subject, it is important to detail your policies and procedures in advance.

**7. *Guarantees.*** Usually a client must give a firm guarantee (guest count) three or more business days in advance of the event. The facility will prepare food, set the room, and assign staff for that number of guests plus a stipulated percentage over the guarantee to handle any guests who decide to attend at the last minute. For instance, most facilities will agree to handle the guaranteed number of guests and to overset about 3 to 5 percent up to a maximum number—for example, 5 percent over, or up to fifty maximum. Requests for any other overset arrangements should be evaluated on a case-by-case basis. Negotiating guarantees is a very tricky undertaking. The wise catering executive ensures that clients clearly understand the facility's position. As with deposits, refunds, miscellaneous charges, menu prices, and so forth, policies regarding guarantees should always be spelled out very clearly in the catering contract. Some caterers require a client to initial each page of the contract to indicate understanding.

**8. *Setup and labor charges.*** If these are not included in the food and beverage menu prices, clients must be told in advance about these charges. Often labor charges are incurred for bartenders and for in-room chefs (such as at carving stations and live-action cooking stations). Usually a large function will not incur additional setup charges; however, small groups may be subject to them, as there may not be enough food and/or beverage revenue to adequately cover labor



expenses. Extra charges can also accrue if a room needs a fast turnover and extra labor must be called in to accomplish the job.

**9. *Room rental rates.*** Most facilities will charge clients rent for the use of function rooms if they are used for meetings and other events that do not include significant food and beverage sales. For instance, there may be a charge for the room if the event does not generate a specified food and/or beverage minimum. The rental rate is usually calculated to cover the fixed overhead, pay for the labor utilized to prepare and clean up the room, and provide a fair profit for the caterer. Some facilities have a sliding scale for room rental, and the charge depends on the total dollar amount generated by the event.

**10. *Other charges.*** Depending on the size and revenue generation of the function, a facility may add on charges for cashiers, valet parking, coat-checking services, stages, dance floors, and directional displays. If clients require additional labor because their functions are scheduled to last longer than normal, they usually will be assessed a service charge to cover the extra payroll cost (sometimes calculated as man-hour overtime).

**11. *Credit terms.*** Business clients who have established credit ratings will usually be allowed to put down a minimum deposit and pay the remaining balance within an allotted time, generally thirty days. Clients without credit approval and generally all social events usually must put down a large deposit and pay the remaining balance two weeks prior to the event.

**12. *Outside food and beverage.*** Most, if not all, facilities will not allow clients to bring in their own food or beverages. In most situations, the facility's liquor license, liability insurance, health permit, and/or business license forbids the use of outside products.

**13. *Corkage fees.*** If the law and the facility allow clients to bring in their own products, there usually will be a charge for setup service. For instance, if clients are allowed to bring in their own liquor, there may be a standard, one-time corkage fee for the service, or the facility might charge a standard fee for each drink prepared and served. A gratuity is also generally charged, in addition to the corkage fee, and is distributed to the staff who worked the event. While it is very uncommon for a facility to allow food items to be brought in, the one exception that is often made is for a wedding cake, if they are not

made on the property. Typically a cake-cutting fee is charged for this. This fee covers setup, use and washing of the facility's plates and forks, and labor for the cutting and service. Anytime this is allowed, the facility should require, and ensure, that the cake is prepared in a facility that is licensed by the local health department.

**14. *Underage or visibly intoxicated guests.*** The facility must ensure that clients realize that the pertinent liquor laws will not be suspended during their catered events. For instance, wedding hosts may not see anything wrong with serving wine to an underage guest at a private party. However, the law does not make this distinction. The same thing is true for service to visibly intoxicated guests: they cannot legally be served by the banquet staff. If a client requests self-service bars, some caterers will require the client to sign a waiver of liquor liability so that they are not held responsible for guest actions. This type of waiver is necessary because in the case of self-service, the facility does not have bartenders and cocktail servers on-site to prevent underage drinking and service to visibly intoxicated guests. Because of this potential liability, many caterers will not permit self-service bars.

**15. *Display restrictions.*** Many clients wish to use their own signs, displays, decorations, and/or demonstrations at booked events. Usually the facility will reserve the right to approve these and to control their placement and location. If clients are allowed to have displays, the facility usually expects the clients to be responsible for any damage done and any extraordinary cleanup that may result. For example, confetti (especially Mylar confetti), rice, and birdseed can pose a challenge to remove. Similar restrictions may apply to other materials, such as paper products, decorations, and equipment. Tape and tacks can damage walls, and some items can be fire hazards.

**16. *Responsibility for loss or damage.*** Personal property brought into the facility by guests usually will not be covered by the facility's insurance policies. In addition, it is the client's responsibility to cover any damage that is done to the venue by any guest during the event or in connection with it. Consequently, clients need to be informed of these policies, and agree to them, in advance.

**17. *Insurance.*** Based on the nature of the event, many facilities require clients to obtain, at their own expense, an insurance policy naming the facility as an

additional insured. It is also common that an outside service contractor be required to have current similar insurance on file with the venue prior to being allowed to perform services on-site.

**18. *Indemnification.*** Facilities usually expect clients to agree to indemnify the facility against any claims, losses, or damages, except those due solely to the negligence or willful misconduct of the facility staff. The facility also wants protection from claims made by outside service contractors, such as florists, entertainers, or audiovisual firms engaged by clients. Furthermore, clients are expected to stipulate that, by paying the final bill, they agree that there are no disputes regarding the products and services received.

**19. *Uncontrollable acts (force majeure).*** There are times when the facility will be unable to perform through no fault of its own. For instance, bad weather, strikes, labor disputes, and so forth could hamper the facility's ability to service its clients. Consequently, clients must agree to hold harmless the facility under these types of uncontrollable conditions.

**20. *Substitutions.*** This is similar to the uncontrollable acts policy mentioned above. Occasionally supply problems may force the caterer to substitute menu products. Or it may be necessary to move a function from one meeting area to another. For instance, an outside event may have to be moved indoors at the last minute because of inclement weather. Or a contractor's strike could force the facility to substitute other space of comparable size and quality. While few of us want to think about these potential problems, the clients must be advised in advance that they could happen. Always provide proper advance communication with clients so that surprises do not anger them.

**21. *Security.*** A facility may require clients to provide additional security for certain events. For instance, a meeting of diamond dealers would be expected to schedule a great deal of personal security that is provided by or approved by the facility. Alternatively, the facility may reserve the right to hire additional security guards and bill the event host. If you outsource valet parking, always check references to ensure the security of your patrons' automobiles.

**22. *Licenses and permits.*** Some functions may need to be approved and/or licensed by the local government licensing agency. For instance, a function that has a cover charge may need a temporary admission license. The facility should

reserve the right to refuse service to any client who does not obtain the appropriate licenses and permits prior to the event.

**23. *Live entertainment taxes.*** Publicly ticketed events may be subject to federal, state, and local taxes relating to admission or merchandise receipts. The venue will want to be assured that the client shall indemnify it against all liability, claims, loss, or payment of any kind by reason of the client's failure or omission to comply with any such law or regulation and/or to pay all of any such taxes or charges.

**24. *Act or show contract.*** When working with a client that is selling tickets to an event that advertises a particular act or show, the venue needs to ensure that the client has a valid, properly executed, and compatible contract with the performers whose services form the basis for the event. While the venue may not require it for every booking, clients must be advised that they should be prepared to submit to the venue, upon demand, a copy of the contract.

Most of these policies will be included in the catering contract. See Chapter 10 for information on contracts.

## MAJOR CHALLENGES FACED BY THE CATERING DEPARTMENT

The catering department may encounter several challenges while working to attain its objectives. Some of the major ones are:

**1. *Marketing the catering department's services.*** A great deal of time must be spent in this effort to distinguish your property in the minds of potential clients. Too many caterers can seem exactly alike. Clients tend to perceive caterers as being as interchangeable as buses: there is always another one available that can handle their needs. You will constantly need to battle this perception.

**2. *Excessive time spent with clients.*** Unfortunately, only a small number of individuals and groups contacted will end up purchasing catered events. Moreover, once business is booked, a great deal of time must be spent planning and coordinating the events. While some clients need more hand-holding than others, the wise catering executive expects to devote a lot of time to these tasks.

To maximize available catering sales time, savvy caterers learn to determine how much time is necessary and/or appropriate to spend with a prospective client, and will learn ways to determine who may be a serious buyer and who is merely a casual catering shopper. Additionally, they will develop ways to ask for the sale at the appropriate time and in a way that does not make clients feel like they are being rushed.

**3. *Unique demands.*** For instance, clients may not adhere to the schedule for refreshment breaks, instead wanting to visit the refreshment area when time permits. This is especially true in conference centers, where attendees can break at will. Consequently, setups need to be freshened periodically, which requires an employee to be constantly alert to fluctuating needs.

**4. *Difficulty of costing out and pricing certain functions.*** Special requests and last-minute needs will cost more because of the specialized circumstances. The refreshment breaks noted above fall into this category. Since the demands these events present cannot always be predicted, function hosts usually must wait until a final accounting is made by the catering department. This can cause ill will among clients, especially those who are on a tight budget and would appreciate price guarantees. In these situations, it is advisable to sell food and beverages at either a per-person price or with a maximum number of items available so that the client will not go over an established budget.

**5. *Ethical traps.*** Sometimes the catering organization may encounter conflict-of-interest dilemmas. For example, clients who need outside contractors, such as tour buses, entertainers, and decorators, may ask the caterer for a recommendation. The facility, always mindful of its image and reputation, will tend to recommend only a few outside contractors that can fill the bill adequately. Vendors that have been thoroughly checked out and determined to be reputable and of high quality often are placed on the property's preferred vendor list. To ensure high levels of quality and alleviate feelings of undue favoritism, it is the director of catering's job to confirm these vendors and negotiate either a percentage of sales or a flat amount that is given to the facility as a referral fee, not as an individual kickback, which can be unethical. Catering managers can then use the preferred vendor list as an opportunity to upsell services and bring in additional revenue for the organization.

6. *Division of responsibility.* It is very important to determine in advance who is responsible for each part of the event. For instance, a convention may want to hire its own band but simultaneously expect the facility to coordinate the details. This can easily lead to misunderstanding, uncompensated work by the catering executive, and unhappy clients unless everything is spelled out clearly.

7. *Time pressures.* The catering department is a pressure cooker. It seems as if everything must be ready yesterday. Catering personnel must learn to work well under time constraints.

8. *Working with and coordinating with other departments and outside agencies.* Proper advance planning is necessary to avoid service glitches that could cause guest dissatisfaction. Caterers must cultivate the ability to communicate effectively.

9. *Maintaining qualified staff members.* Many catering organizations experience severe volume swings. For instance, convention centers pose a unique challenge in terms of volume and staffing. One day you might have a breakfast for five thousand, which requires a lot of labor. You may not have another similar function for two weeks; as a result, it is very difficult to keep qualified employees, many of whom prefer more predictable work schedules.

In addition to full-time management and hourly employees, many facilities maintain two or more lists of service staff (i.e., banquet staff): an A-list, a B-list, a C-list, and so on. The A-list personnel are the steady extras; they are the first ones called by the manager when help is needed. If not enough people are available from the A-list, the manager will call those on the B-list before moving on to the C-list.

The B-list and beyond personnel are casual labor, used to fill in the gaps. They present more problems than do A-list people because the typical B-list worker is probably on the B-list of two or more catering facilities in town. As a result, major functions can go begging for adequate staff. The catering executive must be a creative personnel recruiter and a superb planner in order to overcome these obstacles.

A unionized facility usually will be required to go through the local union hiring hall for its steady and casual servers. The union generally keeps lists of steadies and extras similar to the A-list and B-list kept by non-unionized

properties. If the union has enough advance notice of all of your labor requirements, chances are it can plan for them and satisfy the catering department's needs. The Christmas season and New Year's Eve are a challenge everywhere. To ensure staff are available during these busy times, caterers must have their labor call done far in advance and will often offer an increased gratuity and/or higher wage to staff who commit to working these events.

**10. *The lack of technical foodservice skills.*** Many caterers today have less food knowledge than ever before. They are more and more reliant on chefs and food and beverage directors for advice. This would not be a major problem if standardized menus were used consistently; however, things are trendier these days, there is more competition, and many clients want custom menus and something special. This can make it difficult to respond quickly to unusual customer requests.

A potential client may become restless with the catering executive who needs to confer constantly with other food and beverage people in the organization. However, confidence and poise can make a difference here. Instead of being dismayed, a potential client may be quite pleased with the executive who may not have the answer at that very moment but who promises to, and does, get it quickly.

In this day and age, no one is expected to know everything. Catering professionals do, however, need to know where to get the expertise and information to handle client needs. In a well-run facility, there is a tremendous network of specialized professionals available as well as a sophisticated communications system that can be used to tap into this bundle of resources. The Web is an excellent source of information. Food blogs provide valuable information. The Food Blog Blog ([www.foodblogblog.com](http://www.foodblogblog.com)) has an extensive amount of information. Organizations such as the National Association of Catering Executives (NACE, [www.nace.net](http://www.nace.net)) provide education on a national level through conferences and through more than forty local chapters that hold monthly meetings. There are excellent trade journals with online searchable archives, such as *Event Solutions* ([www.event-solutions.com](http://www.event-solutions.com)), *Special Events* ([www.specialevents.com](http://www.specialevents.com)), *Catersource* ([www.catersource.com](http://www.catersource.com)), *BizBash* ([www.bizbash.com](http://www.bizbash.com)), *Food Arts* ([www.foodarts.com](http://www.foodarts.com)), and *Food & Wine* ([www.foodandwine.com](http://www.foodandwine.com)), that provide excellent articles

to educate the neophyte or aspiring caterer. As catering clients become more sophisticated (or jaded), the caterer cannot remain competitive without knowing how to draw upon these resources.

Many clients travel extensively and eat out frequently. The Food Network and the design and decor shows on HGTV have elevated the food and design knowledge of the average consumer. Their life experiences shape their menu, room setup, and decor choices when planning events. They expect the catering executive to keep pace with trends in menu planning, event planning, and design. These challenges must be met by any catering executive who strives to be successful in either the off-premise or on-premise arena.

## SUMMARY

On-premise catering takes place on the physical premises of a hotel, club, convention center, conference center, stadium, and so on, where the food is prepared and served at the location. Catering can be classified as social or business.

## KEY TERMS

On-premise catering	Off-premise catering	Venue
Cater out	CMP	Hold all space
Upselling	DOC	CSM
Houseman	Steward	Sommelier
Gratuities	Corkage fee	

## REVIEW QUESTIONS

1. What is corporate catering?
2. Which type of caterer usually has an advantage in the on-premise catering market?



3. What is unique about conference center catering?
4. Which type of facility is limited in the amount of outside business they can accept?
5. Which is the best organizational structure for catering departments?
6. What are a banquet manager's primary duties?
7. What is the difference between social catering and business catering?
8. Are gratuities the same as service charges?
9. What is the difference between a gratuity and a tip?
10. What does cater-out mean?
11. What is unique about convention center catering?
12. What is the hotel room service department's typical role in on-premise catering?
13. List one type of consumption tax clients would have to pay.
14. What is the typical type of catering a country club offers to its members?
15. What is the biggest barrier on-premise caterers face when they want to get involved in off-premise catering?

