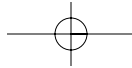


# Overview of *Chapter* On-Premise Catering **1**

On-premise catering is catering for any function—banquet, reception, or event—that is held on the physical premises of the establishment or facility that is producing the function. On-premise catering differs from off-premise catering, whereby the function takes place in a remote location, such as a client’s home, a park, an art gallery, or even a parking lot, and the staff, food, and decor must be transported to that location. Off-premise catering often involves producing food at a central kitchen, with delivery to and service provided at the client’s location. Part or all of the production of food may be executed or finished at the event location. At times, off-premise caterers must rely on generators for electricity, truck in potable water, devise a trash system, and otherwise “rough it.”

Although some hotels and restaurants offer off-premise catering, most do not “cater-out.” A few of them, however, have entered the off-



## 2 Chapter 1 Overview of On-Premise Catering

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premise catering market and are capable of providing off-site production and service. Exact statistics are not kept for these two functions, but 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 third.

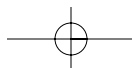
Catering, both on-premise and off-premise, is one of the fastest growing segments of the U.S. foodservice industry and has enjoyed success and expansion over the years. The National Restaurant Association (NRA) notes that catering and take-out sales will generate considerable growth in U.S. foodservice sales throughout the foreseeable future.

Every day thousands of business and social groups get together for their members to enjoy each other'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 on their personal, social, and business activities, simultaneously enjoying the events. And, as a bonus, they can leave the cleanup to someone else.

On-premise caterers—such as hotels, convention centers, and restaurants—usually have the advantage of offering many services under one roof. They can also provide sufficient space to house an entire event and plenty of parking. In general, each catered event has one host and one bill.

Many localities have independent banquet halls, civic auditoriums, stadiums, arenas, ethnic social clubs, fraternal organizations, women's clubs, private city or country clubs, athletic clubs, hospitals, universities, libraries, executive dining rooms in office buildings or corporate headquarters, churches, recreation rooms in large apartment or condominium complexes, parks, museums, aquariums, and restaurants with banquet rooms. Some of these facilities are often more competitive than hotels, as they have more flexible price structures because of their lower overhead expenses. Some are public facilities and are tax-exempt. A number of these facilities provide their own catering in-house, others are leased to and operated by contract foodservice companies that have exclusive contracts. Still others will rent their facilities to off-premise caterers.

Another recent competitor for catering business has been the proliferation of take-out services. Some supermarkets and department stores have developed gourmet take-out, deli, and bakery facilities, and many can produce beautiful, reasonably priced buffet platters. More and more restaurants are heavily engaged in take-out business, par-



ticularly around the holidays. However, if not properly monitored, a “cater-out” can disrupt the normal work flow and efficiency of a restaurant, damage morale, and skew ordering and purchasing routines.

Off-premise functions can be a significant source of additional sales revenue and profits for those hotels and restaurants that have the necessary equipment and personnel to handle large off-site catered affairs. However, unless the facility is set up to do this correctly, the work can be too distracting and the added expense may wipe out any incremental profits. For example, transporting perishable food requires proper trucking for food safety. A refrigerated truck or a great amount of ice must be used to maintain safe temperatures.

Staffing is also an issue. Hotel servers are accustomed to a division of labor and often are not pleased when they are asked to perform tasks off-site that are not required when they are working within the facility. In a hotel, servers do not set up 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

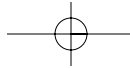
Catering can also be classified as social catering and corporate (or business) catering. Social catering includes such events as weddings, bar and bat mitzvahs, high school reunions, birthday parties, and charity events. The National Association of Catering Executives (NACE) estimates that social catering 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, and entertaining in hospitality suites. The estimated 75 percent of all catering sales generated by business catering is due to the sheer volume of people served daily at meetings in hotels and convention centers, where meals for thousands are produced regularly.



## TYPES OF CATERERS

The hotel caterer is only one of many types of caterers that seek to satisfy the public's catering needs. A hotel usually has the advantage in this competitive field because it can normally offer many services un-



## 4 Chapter 1 Overview of On-Premise Catering

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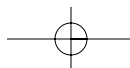
der one roof as well as sufficient space to house an entire event, thereby enticing the customer with a one-stop-shopping opportunity. An upscale hotel often provides a more glamorous and exciting location. The hotel must realize, however, that other caterers abound in the industry, and even though they may be much smaller and unable to offer a smorgasbord of choices, they nevertheless eagerly court many of the same customers sought by hotel caterers.

For instance, in some parts of the country there are independent banquet halls, convention facilities, and conference centers. Some of these properties are able to compete with hotels for the same customers because they have more flexible price structures owing to lower overhead expenses. A hotel may have the advantage in some instances: If a client is able to buy out the entire facility, the hotel can offer a generous price reduction because of the sleeping room revenue derived from the group.

Some restaurant operations have attached banquet rooms that can be used for several types of catered events. It is expensive to maintain a room that may be empty three or four nights per week, so the banquet room is often used as overflow restaurant dining space on busy nights. A restaurant can book many small functions if it takes time to court this business. However, before going after this business, the catering executive must be careful to avoid those catered events that cannot be charged enough to cover all variable and fixed overhead costs associated with opening a function room. For instance, a restaurant that uses a section of its regular dining room to house a catered event will not incur significantly greater heating and cooling expenses; the dining room must be heated or cooled regardless of the number of guests expected. A hotel, however, must consider the feasibility of opening a function room; if the room is opened, incremental heating and cooling expenses will be incurred, whereas if the room remains closed, these expenses are avoidable. In some cases, although a particular group may turn a profit for the average restaurant, a hotel property may be less fortunate.

Private clubs do a great deal of catering for their members. Country clubs concentrate on social events, such as weddings and dances. City clubs specialize in business catering, such as for corporate meetings, board luncheons, and civic events.

Resorts often have outdoor functions at remote locations on the property. For example, The Pointe at Tapatio Cliffs in Phoenix, Arizona, has a special hayride party. Guests are transported via horse-drawn wagon to a hilltop where they enjoy a mountainside steak-fry barbecue with all the trimmings.



Profit-oriented hospitals do a good amount of catering business for medical meetings and staff functions. In most cases, they compete directly with hotels 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 catering events because they help subsidize their major nonprofit activities. Many tax-paying catering businesses are especially unhappy with these so-called 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 foodservices in large office buildings, where executive dining rooms can be used to house special parties and meetings. Some contract foodservice companies are also capable of handling off-premise catering functions.

Most convention centers are public institutions that use in-house contract services typically operated by national catering companies (such as ARAMARK or Fine Host). A few use smaller, privately owned companies (such as the Levy Corporation at McCormick Place in Chicago). These companies function as an internal catering department and enjoy all of the amenities and unique environments offered by the facility. They tend to focus on conventions and trade shows and often have the opportunity to cater mega-events because of the large amount of exhibit space, as well as attached areas (such as public arenas or public parks), available.

Take-out and delivery business accounts for an ever increasing proportion of total U.S. foodservice sales. It is unlikely that a hotel caterer would want to compete in these business segments. However, we have noticed that some hotel properties have done this quite successfully. For example, at Marriott's Camelback Inn in Scottsdale, Arizona, people living next to its golf courses can dial the hotel's room service department. A room service server hops on a catering "golf cart" and delivers the finished products. The hotel also takes orders for box lunches.

Some mobile caterers, with the proper equipment, provide complete meal production and service on location. For instance, a few companies specialize in feeding forest fire fighters, disaster relief workers, movie and television production crews in the field, people taking extended camping trips or fishing/rafting excursions, construction site workers, or other such groups.

## 6 Chapter 1 Overview of On-Premise Catering



### CATERING DEPARTMENT MANAGEMENT FUNCTIONS

The person in charge of the catering department must perform the normal management functions. Whether working in a one-person department in a restaurant or in a convention center with a staff of 30, he or she has the following responsibilities:

- 1 *Planning.* The catering department must accomplish both financial and nonfinancial objectives. To do so, it must develop appropriate marketing, production, and service procedures. It must also ensure that the department's operating budgets and action plans are consistent with the facility's overall company objectives.
- 2 *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.
- 3 *Directing.* Employee supervision is an integral part of every supervisor's job. The supervisory style will emanate from top management. The catering department's supervisory procedures must be consistent with company policies.
- 4 *Controlling.* The catering department manager must ensure 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 ensure that production and service meet company standards.



### CATERING DEPARTMENT OBJECTIVES

Catering departments have a variety of objectives. The weight and priority given to each will depend on company policy. The following are among the most common objectives:

- 1 *Earn a fair profit on assets invested in the catering business.*
- 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 during the slow season, to keep staff employed.
- 3 *Deliver customer satisfaction.* Meeting this objective will lead to repeat patronage as well as positive referrals. All foodservice operations, including the catering segment, thrive on repeat patronage.
  - 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 a well-run catering department.
  - 5 *Convey a particular image.* Caterers often want to be known as specializing 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 ambiance is required. Catering is often a facility's most visible characteristic on the local and national levels. It alone has the greatest potential to become a facility's "signature"—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 adequately fill the role of liaison between clients and all of the property's services.
  - 7 *Develop a reputation for flexibility.* To be dependable, the caterer must be flexible. The catering department must be able to react on a moment's notice. Clients will remember fondly the facility that bailed them out at the last minute.
  - 8 *Stay on budget.* To meet this objective, the caterer must be on guard against adding "surprise" charges that go over budget.



## CATERING DEPARTMENT ORGANIZATION

Catering departments are organized according to the needs of the particular facility. For example, a hotel's primary profit center is its sleeping rooms division, with the catering department usually being the second most profitable department. Consequently, all hotel departments are generally organized and administered to maximize the sales and profits of sleeping rooms and catered functions.

There are two general types of catering department organizations. In one form, the department is organized in such a way that all cater-

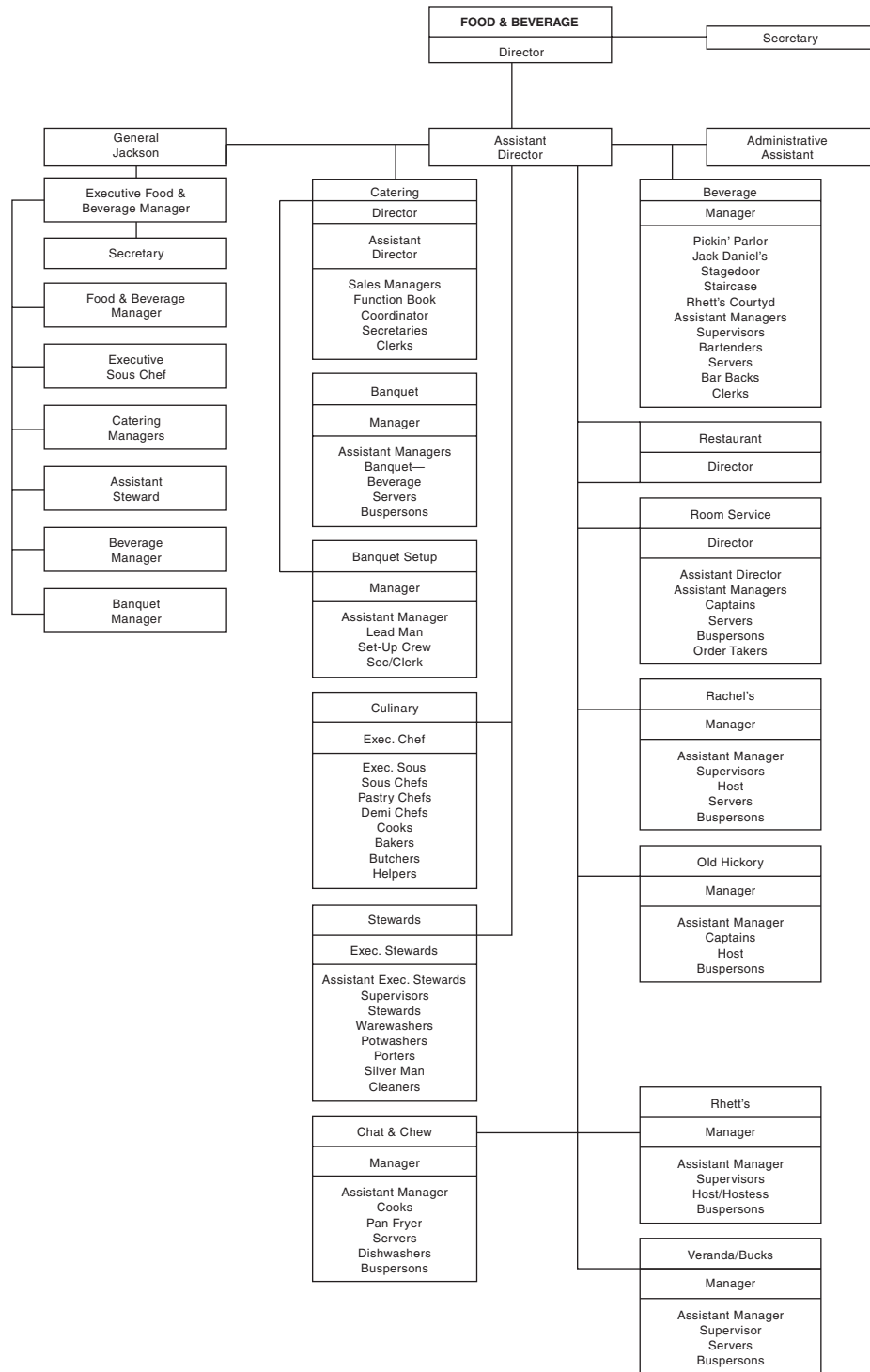
ing personnel are under the supervision of the property's food and beverage director (see Figures 1.1 and 1.2). The food and beverage director is responsible for the kitchens, restaurant outlets, and banquet operations, as well as for client solicitation and service. Within this structure, catering must secure the right to sell function space from the sales department, which controls meeting space. Sales managers are often reluctant to call their clients and ask them to release space they are holding as part of a meeting they have booked. Meetings are often booked years in advance, and savvy meeting planners, not knowing all of their space needs that far ahead, will institute a "hold all space" clause in their contracts. In such an organizational structure, convention service managers are primarily responsible for room setup, but not for food or beverages.

Alternatively, the catering department may be organized so that catering personnel are under the supervision of the sales and marketing director, with other employees, especially banquet servers, still reporting to the food and beverage director (see Figure 1.3). 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.

Within this structure, catering managers and convention service are in the same department, both taking care of the food, beverage, and room setup needs of clients. The convention service managers do not 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, most selling is "upselling," or trying to get the client to purchase a more expensive meal, wine, or service. Catering managers then sell short-term food and beverage events to the local market or to functions without sleeping rooms, such as weddings, local banquets, and the like. With the revenue of catering being the responsibility of the marketing director, rather than the food and beverage director, sales managers are more likely to call clients to have rooms released for local banquets.

In the second type of organizational pattern, the sales and marketing and food and beverage directors split the workload and coordinate catering sales and service. In some properties, convention services personnel handle room setup and any food function that uses more than 20 sleeping rooms, and the catering department handles all local functions. In other facilities, the catering department handles all





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

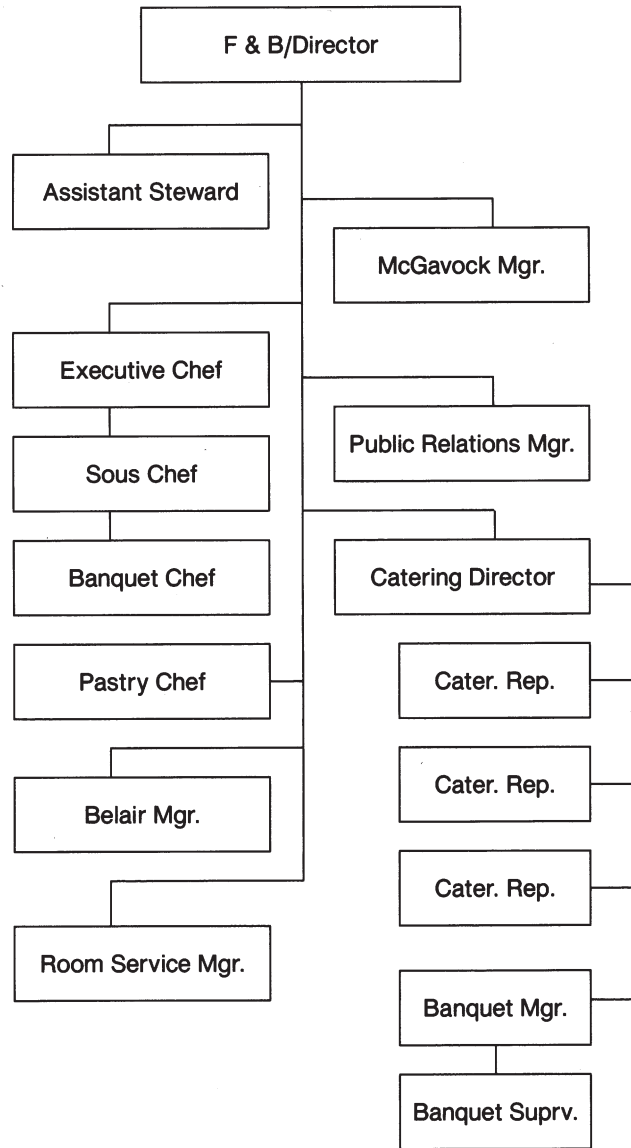


 FIGURE 1.2 Food and beverage department organization chart. (Courtesy Music City Sheraton Corporation.)

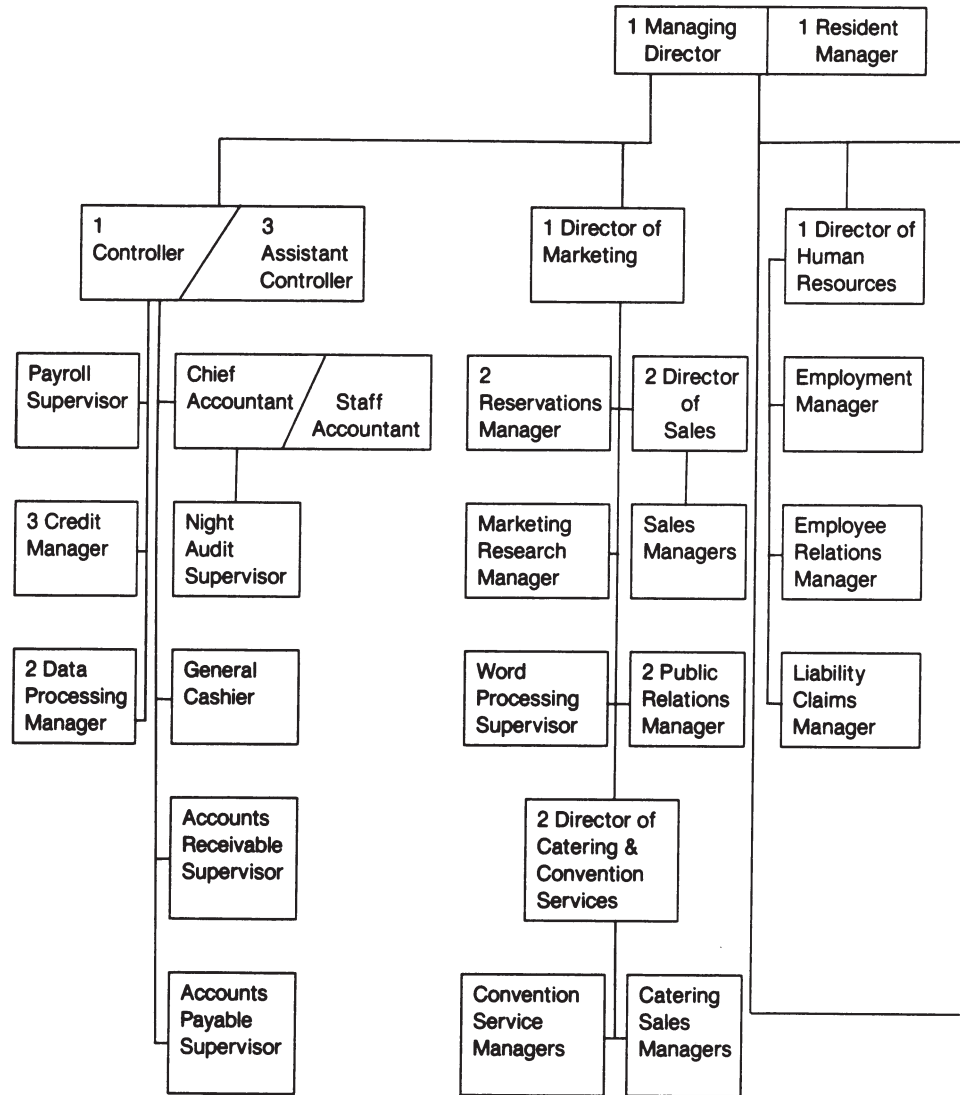
food and beverage service, and convention services personnel take care of all nonfood logistics, such as function room setups and teardowns, sleeping room arrangements, and so forth.

There are advantages and disadvantages with each organizational form. The major advantages associated with the organizational forms depicted in Figures 1.1 and 1.2 are as follows:

- 1 *Increased efficiency.* Clients work with one designated person who has 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. This is a very critical 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 an event enjoys more variety than does a person involved with only one or two aspects.
- 4 *Repeat patronage.* When clients deal with one person, there are additional opportunities to solicit repeat patronage and referrals.
- 5 *Improved communications.* Because there are fewer persons on the communications chain, ambiguities and misinterpretations should be minimal.

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

- 1 *Excessive workload.* One person may not have enough hours in the day to perform all the necessary tasks.
- 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.* It is difficult to train one person to be expert in so many areas. However, if the catering manager is only the information point of exchange between clients and all other facility services, this potential problem can be minimized.
- 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 staff members.



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, Ga.)

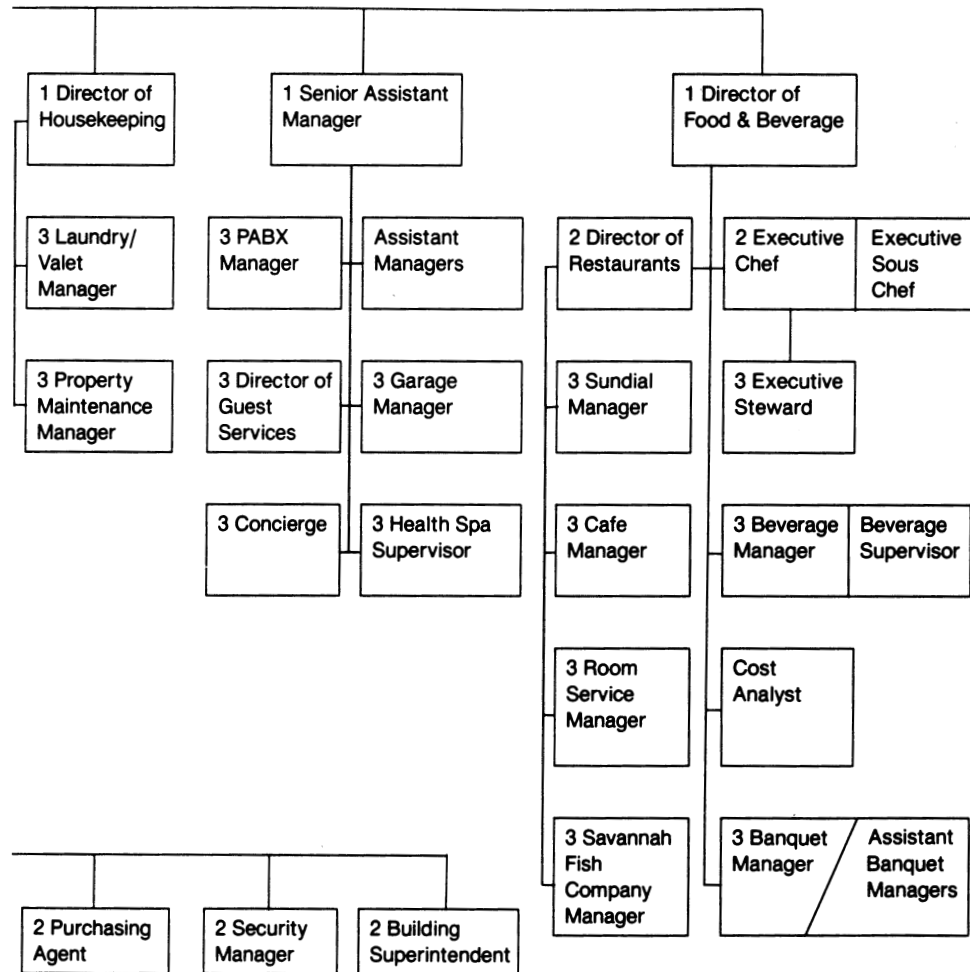


 FIGURE 1.3 (Continued)

The advantages and disadvantages associated with the organizational form depicted in Figure 1.3 are the opposites 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 (1) the size of the facility, (2) the types of functions catered, (3) corporate policy, and (4) the overall level of service offered by the facility.

Although there is no single organizational form suitable for all facilities, it appears that the most typical organizational pattern is that

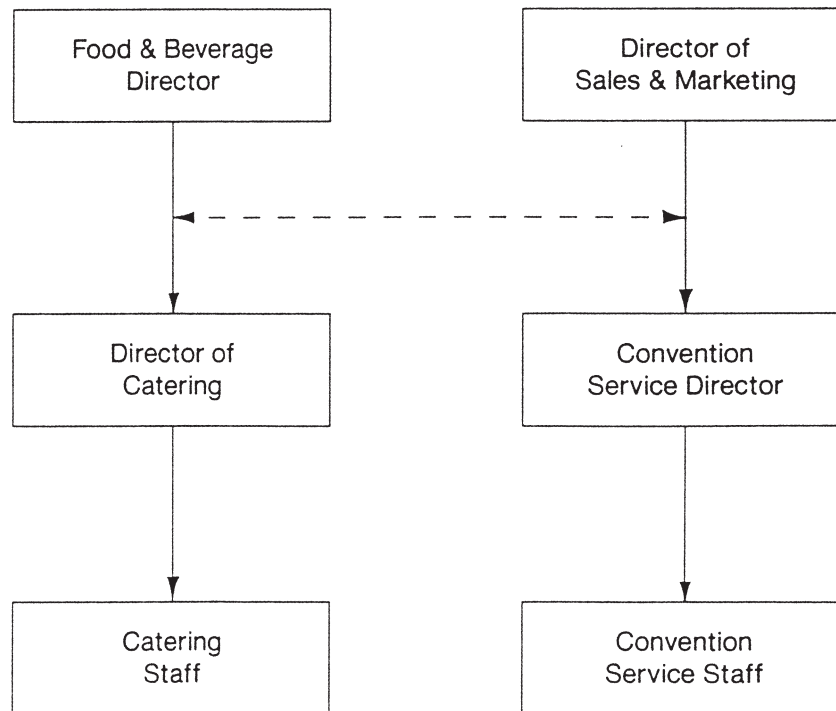


 FIGURE 1.4 Typical catering organizational pattern.

depicted in Figure 1.4. In this case, the catering and convention service staffs work together, each handling specific activities. Catering typically handles all food and beverage requirements, and convention service handles all nonfood arrangements.

### *Catering Staff Positions*

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

- 1 Director of Catering (DOC)
- 2 Assistant Catering Director
- 3 Catering Manager
- 4 Catering Sales Manager

- 5 Catering Sales Representative
- 6 Director of Convention/Conference Service
- 7 Convention/Conference Service Managers
- 8 Banquet Manager
- 9 Banquet Setup Manager
- 10 Assistant Banquet Manager
- 11 Scheduler
- 12 Maître d' Hôtel
- 13 Captain
- 14 Server
- 15 Bartender and Bar Back
- 16 Sommelier
- 17 Houseman
- 18 Attendant
- 19 Clerical Person
- 20 Engineer
- 21 Cashier
- 22 Ticket Taker
- 23 Steward/Food Handler

### *Job Specifications*

A job specification contains the qualities sought in a job candidate. Before hiring a catering department employee, a manager generally looks for at least five major qualities:

1 *Technical skills.* Ideally, catering employees will have knowledge and skills in food and beverage preparation and service. At the very least, they must have an aptitude to learn and become familiar with the items on your menus and your services so that they can respond adequately to client inquiries.

It is required that most, if not all, catering employees have excellent sales skills. For some job positions, the primary qualification is the ability to sell. For instance, a sales representative's major asset is his or her ability to sell. However, even those employees primarily involved with guest service should have the ability to up\$ell clients. They should be able to encourage clients to purchase additional, or higher-quality, products and services, thereby increasing catering profits.

Communications skills are absolutely essential for catering staff members. Each function is a unique undertaking. There is no standard pattern or event template. Consequently, open and intelligible com-

munications are critical to the success of a catered event. It is important for staff to be sufficiently articulate to communicate effectively with the host, the guests, and other staff members.

2 *Conceptual skills.* As much as possible, catering department employees must be able to view the entire catering function and not see things exclusively from the perspective of their particular jobs. For instance, a banquet chef must appreciate the ceremonies involved with a wedding function and not ignore them when preparing and coordinating food courses.

Catering staff members must be able to take a client's "vision" of the function (including needs, wishes, purpose of the function, and budgetary constraints) and develop an event (through negotiations) consistent with this vision that can be delivered effectively and efficiently by the catering department. The planned catered event must meet the client's requirements.

3 *Human (interpersonal) skills.* Customer-contact skills are extremely important in the hospitality industry. Getting along with people, and satisfying them while simultaneously making a profit, is a challenge that must be met and overcome by all catering staff members. Unlike technical and conceptual skills, these skills generally cannot be taught—they are inherent. As Ellsworth Statler, founder of Statler Hotels, said once in the late 1800s, "Hire only good-natured people."

4 *Honesty and integrity.* Most staff members will be handling a considerable amount of catering property and equipment. They will also be making promises to clients, other customers, and several intermediaries (such as entertainers and florists). They must be above-board in all their dealings. Accepting kickbacks is not an acceptable practice.

5 *Other qualities.* Other characteristics that managers look for in job candidates depend on the type of position and company policies. For instance, if the facility has a promotion-from-within policy, a manager will seek a job candidate who has the ability and desire to advance and grow with the company.

### *Job Descriptions*

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



The following are examples of abbreviated typical job descriptions for staff positions involved directly or indirectly with catering:

*Director of Catering (DOC).* Assigns and oversees all functions; oversees all marketing efforts; interacts with clients and catering managers; coordinates with sales staff; creates menus (in cooperation with the chef).

*Assistant Catering Director.* Services accounts; helps with marketing.

*Catering Manager.* Maintains client contacts; services accounts.

*Catering Sales Manager.* Oversees sales efforts; administers the sales office.

*Catering Sales Representative.* Involved only in selling; handles outside sales and/or inside sales.

In some smaller facilities, the preceding three jobs are one and the same. The rule of thumb in such instances seems to be, "If you book it, you work it!"

*Convention/Conference Service Manager.* Handles room setup in hotels, conference centers, and/or convention centers; sometimes handles catering for meetings and conventions.

*Banquet Manager.* Implements requests of the Director of Catering; oversees room 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 a catering executive, who handles primarily the selling and planning chores.

*Banquet Setup Manager.* Supervises the banquet setup crew (housemen); orders tables, chairs, and other room equipment from storage; supervises teardown of event.

*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.

*Scheduler.* Sometimes referred to as a diary clerk. Enters bookings in master log; oversees the timing of all functions and provides adequate turnover time; responsible for scheduling meeting rooms, reception areas, poolside areas, other areas, meal functions, beverage functions, other functions, and equipment requirements; keeps appropriate records to ensure against overbooking and double booking; responsible for communicating this information to all relevant departments. In larger facilities this function is computerized. There are a number of excellent software programs on the market, many of which are linked to the companion Web site for this book.

*Mâitre d' Hôtel.* Floor manager; in charge of all service personnel; oversees all aspects of guest service during meal and beverage functions.

*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.

*Server.* There are two types: food servers and cocktail servers. Food servers deliver foods, wine, nonalcoholic beverages, and utensils to tables; clear tables; attend to guest needs. Cocktail servers perform similar duties, but concentrate on serving alcoholic beverages, usually at receptions. Servers are sometimes backed up by buspersons, whose primary responsibilities are to clear tables, restock side stands, and serve ice water, rolls, butter, and condiments.

*Food Handler.* Sometimes referred to as a food steward. Prepares finished food products noted on banquet event orders (BEO). Responsible for having them ready according to schedule.

*Bartender.* Concentrates on alcoholic beverage production and service. Bartenders are often assisted by bar backs, whose primary responsibilities are to stock initially and replenish the bars with liquor, ice, glassware, and operating supplies.

*Sommelier.* Wine steward; usually used only at fancy, upscale events.

*Houseman.* Sometimes referred to as a porter or convention porter. Physically sets up rooms with risers, hardware, tables, chairs, and other necessary equipment; reports to Assistant Banquet Manager.

*Attendant.* Refreshes meeting rooms; that is, does spot cleaning and trash removal during break periods and replenishes supplies—such as notepads, pencils, and ice water; responds to requests for service by meeting function hosts. Some catered functions may require rest room attendants, and some may require cloakroom attendants.

*Clerical Person.* Handles routine correspondence; types contracts; types banquet event orders (BEO); handles and routes telephone messages; distributes documents to relevant staff members and other departments.

*Engineer.* Provides necessary utilities service, 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). He or she may also handle audiovisual (AV) and lighting installation, teardown, and service.

*Cashier.* Collects cash at cash bars; sells drink tickets; may also sell meal or concession tickets.

*Ticket Taker.* Responsible for collecting tickets from guests before they are allowed to enter a function.

*Steward.* Delivers requisitioned china, glass, flatware, salt and pepper shakers, and other similar items to function rooms, kitchens, and bar areas.



## CATERING DEPARTMENT POLICIES

The facility must establish policies to guide the catering department's relations with clients. Typical policies include the following considerations.

*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. Caterers usually note that published menu prices are subject to change unless firm price guarantees are negotiated and included in a catering contract. If competitive bids are being prepared, all prices must be computed according to standard company pricing procedures. All printed menus should be dated to ensure that the client is not looking at an outdated version.

*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 to have applicable taxes stated on the menu. Tax-exempt clients must usually furnish an exemption certificate to the caterer prior to the event.

*Gratuities or service charges.* These are automatic charges added to the catering prices. Most properties add a 15 to 19 percent gratuity to the bill. You cannot assume that all clients are aware of these traditional charges: They must be informed about them up front.

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

*Deposits.* The deposit procedures must be spelled out clearly. Clients must be informed of the amount that must be paid, when it must be tendered, and how it will be applied to the final billing.

*Refunds.* Although no one likes to broach a negative subject, it is important to detail your refund policies and procedures in advance.

*Guarantees.* A client must usually give a firm guarantee (guest count) two or three days in advance of the event. The facility will pre-

pare food for that number of guests, plus a stipulated percentage over the guarantee to accommodate 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 100 persons maximum.

If the function is very large, a facility generally uses a sliding scale guarantee. For instance, although it may agree to a 5 percent overset for parties up to 500 persons, it may agree to accommodate only a 3 percent overage for parties in excess of 500.

Negotiating guarantees is a very tricky undertaking. The wise catering executive ensures that clients understand clearly the facility's position.

Guarantees, as well as deposits, refund policies, miscellaneous charges, menu prices, and so forth, should always be spelled out very clearly in the catering contract. Some caterers require a client to initial each line item to indicate understanding.

*Minimum purchase.* This policy requires a client to purchase a minimum amount of catering services if he or she wants to book one or more events. For example, some big hotels in Las Vegas will not allow a convention to block out meeting room space unless there is a corresponding minimum amount of food and beverage business guaranteed. This food and beverage minimum is based on a set amount per guest room night. For example, a convention may have to agree to purchase a minimum of \$100 worth of services per room night in order to obtain the room block and meeting room space it needs. The food and beverage minimum must be agreed to when the contract is signed so that there are no surprises. Both parties then know what space is being provided and the total amount of food and beverage revenue required.

*Setup charges.* If they are not included in the food and beverage menu prices, clients must be told in advance about these extra charges. A large function does not ordinarily incur additional setup charges; however, small groups may be subject to them. Extra charges can accrue if a room needs a fast turnover and extra labor must be called in to accomplish the job.

*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 a room if the event does not generate at least \$35 per person for food and/or beverage. The rental rate is usually cal-

culated to cover the fixed overhead and provide a fair profit for the caterer. Some facilities have a sliding scale, with the charge depending on the dollar amount being generated.

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

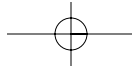
*Credit terms.* Clients who have established credit ratings are usually allowed to put up a minimum deposit and pay the remaining balance within an allotted time, generally 30 days. Clients without credit approval usually must put up a large deposit and pay the remaining balance at least 2 days prior to the event or immediately after the function ends. Clients who are somewhere between having an established credit rating and no credit rating normally must provide a deposit and pay the remaining balance at the end of the catered event.

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

*Setup service charge.* If the law and the facility allow clients to bring in their own products, there is usually a charge for setup service. For instance, if a client is allowed to bring in his or her own liquor, there may be a standard, one-time corkage fee for the service, or the facility may charge a standard fee for each drink prepared and served.

*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 is true for service to visibly intoxicated guests; they cannot legally be served by the banquet staff.

If clients request self-service bars, some caterers will require them to sign a waiver of liquor liability so that they are not held responsible for the actions of the guests. 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 monitor underage drinking and service to visibly intoxicated guests. Because of this potential liability, many caterers do not permit self-service bars.



*Display restrictions.* Many clients need to use their own signs, displays, decorations, and/or demonstrations at booked events. The facility usually reserves the right to approve these items 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. The removal of confetti (especially Mylar confetti), rice, and birdseed can pose a challenge. 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.

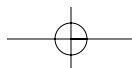
*Responsibility for loss and/or damage.* Personal property brought into the facility by guests are not usually covered by the facility's insurance policies. Consequently, clients and their guests must be informed of this policy, and agree to it, before receiving permission to use their own property.

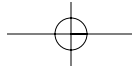
*Indemnification.* A facility usually expects clients to agree to indemnify it against any claims, losses, and/or damages, except those due solely to the negligence and/or willful misconduct of the facility staff. The facility also wants protection from claims made by outside service contractors, such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

*Uncontrollable acts.* There are times when a facility will be unable to perform through no fault of its own. For instance, bad weather, a strike, a labor dispute, or another circumstance may hamper the facility's ability to service its clients. Consequently, clients must agree to hold harmless the facility under uncontrollable conditions of this type.

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

*Security.* A facility may require a client to provide additional security for his or her event. For instance, a meeting of diamond deal-





ers 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 patron's automobiles.

*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 hold the appropriate licenses and permits prior to the event.



## MAJOR CHALLENGES FACED BY A CATERING DEPARTMENT

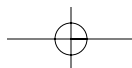
Some of the major challenges encountered by the catering department while working to attain its objectives are discussed in the following paragraphs.

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

*Excessive amount of time spent with clients.* Unfortunately, only a small number of persons 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. Although some clients need more hand-holding than others, the wise catering executive will expect to devote much 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, who may be a serious buyer or merely a casual shopper for catering services.

*Unique demands.* All functions have unique demands. For instance, refreshment breaks are sometimes permanently set, but clients may not have a particular schedule in mind and merely wish to visit the refreshment area when time permits. This is especially true in con-



ference centers, where attendees can break at will. Consequently, set-ups must be freshened periodically, which requires an employee to be constantly alert to fluctuating needs.

*Difficulty in costing out and pricing certain functions.* Special requests and last-minute needs will cost more because of the special circumstances. The aforementioned refreshment breaks fall into this category. Because the demands these events present cannot always be predicted in advance, 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.

*Ethical traps.* Sometimes a catering department 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. However, such favoritism may be perceived by some as shady dealing.

*Responsibility greater than authority.* It is very important to determine in advance who is responsible for each part of an 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 misunderstandings and client dissatisfaction unless everything is spelled out clearly.

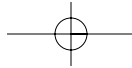
*Time pressures.* The catering department is a pressure cooker. It seems as if everything must be ready “yesterday.” Catering personnel must learn to work well within time constraints.

*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.

*Maintaining qualified staff members.* Many catering departments experience severe volume swings. For instance, convention centers pose a unique challenge in terms of volume and staffing. One day you may have a breakfast for 5,000, which requires a lot of labor. But 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 lists of service staff (i.e., banquet staff) employees: an A-list and a B-list. A-list personnel are the steady extras;





they are the first ones called by the manager when help is needed. If a sufficient number of people on the A-list are not available, the manager will call those on the B-list.

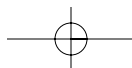
The B-list personnel are casual labor. They are used to fill in the gaps. They present more problems than do A-list people, because the typical B-list worker is probably on the B-list of every caterer in town. As a result, major functions can go begging for adequate staff. The catering executive must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

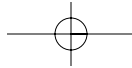
A unionized facility is usually required to go through the local union hiring hall for its steady and casual servers. A union generally keeps lists of steadies and extras, similar to the A-list and B-list kept by nonunionized facilities. If the union has enough advance notice of all of your labor requirements, 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.

*The lack of technical foodservice skills.* Many caterers today, both men and women, have less knowledge about food than ever before. They are increasingly 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 more trendy 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, an executive's confidence and poise can transcend the bonds of ignorance. Instead of dismay, a potential client may be quite pleased with the executive who may not have the answer at the very moment, but who promises to get it quickly.

In this day and age, no one is expected to know everything. The catering executive does, 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 also an excellent source of information. Organizations such as the National Association of Catering Executives (NACE, <http://www.nace.net>) provide education on a national level via conferences and through 47 local chapters that hold monthly meetings. There are excellent trade journals, such as *Event Solutions*, *Special Event*, *CaterSource* (<http://www.catersource>).





com), *Food Arts*, and *Food & Wine*, that provide excellent articles to educate the neophyte or aspiring caterer. As catering clients become more sophisticated and/or jaded, the caterer cannot remain competitive without these resources. There is a companion website for this book and the above resource sites are linked [www.wiley.com](http://www.wiley.com).

Many clients travel extensively and eat out frequently. Their dining experiences shape their menu choices when planning functions. They expect the catering executive to keep pace with trends in menu, 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.

