



Syllabus

CUL 190 Food and Beverage Cost Controls

General Information

Date

September 25th, 2017

Department

Business

Course Prefix

CUL

Course Number

190

Course Title

Food and Beverage Cost Controls

Course Information

Credit Hours

3

Lecture Contact Hours

3

Lab Contact Hours

0

Other Contact Hours

0

Catalog Description

Students will examine the various factors that are responsible for cost fluctuations in a foodservice operation with regard to the areas of food, beverage, and labor. The class will focus on the following concepts: accurate cost assessment, interpretation of financial statements, tools and methods used for cost analysis as well as cost adjustments/control through operations, policy, purchasing, and human resources. Various types of fraud and ethics in operation will also be discussed.

Key Assessment

This course does not contain a Key Assessment for any programs

Prerequisites

None

Co-requisites

None

Grading Scheme

Letter

First Year Experience/Capstone Designation

This course **DOES NOT** satisfy the outcomes applicable for status as a FYE or Capstone.

SUNY General Education

This course is designated as satisfying a requirement in the following SUNY Gen Ed category

None

FLCC Values

Institutional Learning Outcomes Addressed by the Course

Vitality

Inquiry

Perseverance

Interconnectedness

Course Learning Outcomes

Course Learning Outcomes

1. Review variances on income statements to look for ways to maximize profit.
2. Calculate costs and price food and beverage offerings to meet budgetary targets.
3. Articulate how effective and measurable standards are essential to the cost control process.
4. Examine a food service operation and devise a proactive cost control plan that will lead to profitability.

Program Affiliation

This course is required as a core program course in the following program

AAS Culinary Arts

AAS Hospitality and Tourism Management - Food and Beverage Management

AAS Hospitality and Tourism Management - Hotel and Resort Management

Outline of Topics Covered

I. The need for Cost Controls and Introduction to Financial Statements

- Failure rates nationally for both independent and franchise style restaurants, discussion and analysis of a detailed income statement including comparison on budgeted versus actual costs and revenues, definition of variance and how to pinpoint problems that lead to the breakdown of the cost control system, other financial statements including the balance sheet and statement of cash flows, proactive versus reactive cost control tactics and strategies, using qualitative and quantitative feedback and data to build a cost control system.

II. Developing Standards: Recipes, Procedures, Break Even Point Fixed vs. Variable Costs

- The importance of consistency in the value proposition, how written, attainable, and replicable recipes and procedures produce consistent results, visual representation of how fixed costs and variable costs create a tangible, measurable break even point, definitions of variable, semi variable, and fixed costs, analyzing costs to prescribe strategies for adherence to budgetary targets.

III. Budgets and Forecasting, interpreting variances and their impact on cost control

- Using historical data and knowledge of local events and food trends to prepare budgets and forecasts for costs and sales, discussion of good variances and bad variances, discussion of the importance of "common size" financial data.

IV. Intro to Purchasing Food, Developing specifications and yield analysis, make or buy

- The purchasing process from the recipe to specification to procurement, receiving, storage, and use of products, what can happen if there are no specifications, analyzing edible yields and labor to ascertain a "true cost of food".

V. Vendor selection and Fraud, Maintaining the paper trail

- Maintaining a system of checks and balances to maintain the integrity of the purchasing process, discussion of

real examples of this chain breaking down, conflicts of interest, other ethical issues involved in the purchasing cycle.

VI. Costing Food and Beverage and ascertaining a selling price

- Assessing true food cost and using pre determined mark up to arrive at a selling price, using data to determine real costs post production, developing maximums for cost to maintain profit margins.

VII. Purchasing Beverages and Bar Fraud

- The three tier distribution system, liquor distribution models in other states, an introduction to NYS liquor control regulations, how to get a NYS liquor license, types of liquor licenses in NYS, bar fraud and methods of prevention.

VIII. Cost controls through Production and Physical plant, Receiving and Storage

- How to maintain the cost control system through the use of industry best practices in terms of effective receiving, storage, requisition, and issue, the use of preventive maintenance of equipment and facility as a toll in the cost control process.

IX. Inventory and Inventory Control

- Physical and perpetual inventory systems, their functions, properties, and use, how to do a physical count, the use of technology in calculating inventory values, methods of valuing inventory, using inventory turnover benchmarks to control spending, writing off expired or no longer relevant inventory, effects of inventory on monthly food and beverage cost.

X. Intro to Labor and labor cost

- The differences between salary and wage, discussion of labor as a semi variable expense, setting labor cost targets using data, variances with regard to labor, labor cost in collective bargaining environments, best practices for scheduling employees using forecast sales.

XI. The Hiring Process and Maintaining a Productive Workforce

- Writing job specifications, hiring to the job specifications, responsibilities of hiring managers, utilizing recruitment tools, the role of human resources in today's foodservice industry, the value and costs of training and professional development and lack thereof.

XII. Measuring Labor Productivity

- Using qualitative and quantitative measures to determine employee productivity benchmarks, developing rubrics that illustrate specific operations, setting realistic and attainable goals for staff.

XIII. Using Data to Drive Decision Making, the circle completed

- Analyzing case studies and pinpointing problems as well as prescribing both short term and long term solutions for compliance with budgeted goals.