

Case Briefing

Food & Beverage - Restaurant Basics



The Situation

The Emerald Hotel has just opened its Blarney Pub. A few items are on the initial menu but more are needed. The prices are just guesses taken by the hotel manager. Someone is needed to focus on making the pub a success. Like most modern hotel restaurants, it needs to make a profit and provide a convenient amenity for the guests. For simplicity, the Blarney Pub only serves one menu.

Your Role

You've been asked to take on Food & Beverage management for the Emerald. Your first task is to get the Blarney Pub off to a successful start. You will be judged on the profit it produces.

Learning Phase

In the Learning Phase, step-by-step instructions will guide you through setting up a simple menu and pricing items to be appealing yet profitable. In this phase, you will work with a super-simplified set of menu choices: 8 food choices and 5 beverage choices. You will learn how to read market data reports to identify the items most likely to appeal to your guests. Guest feedback, in the form of Tweets, will also guide you. Additionally, you will learn common rules of thumb for pricing food and beverages. Finally, you'll discover how to read departmental profit results from a monthly profit report.

Challenge Phase

The General Manager of the Emerald has given you a goal for the first month of operation of the Blarney Pub. She wants the pub to show a specific profit at the departmental level; the exact target is given in the simulation. Your menu choices have doubled from the Learning Phase. Since you are only allowed a certain number of items on the menu, choosing the most appealing items is critical to making the goal. Providing menu items that customers want, at attractive prices, will keep your customer satisfaction high and draw more guests to the hotel.

At the option of your Professor, you may be able to retry the Challenge Phase multiple times. Only your best grade will count.

The Pub in the Simulation

The simulator contains a full working model of a pub-style restaurant. This includes a dining area, a kitchen, and food storage area. Simulated customers, who may be guests at the hotel or from the general population, make decisions on where to eat based on your menu, prices, and service. In this Case Sim, the simulator controls waitstaff and cooks which are all individually modeled with realistic capacities to handle food prep and serving. Ingredients are purchased automatically for your pub.

Discussion Questions

Assume that you plan to develop a 120 room hotel on the side of the interstate highway, what goes through your mind when choosing an F&B concept?

Discuss food & beverage pricing rules of thumb? In what circumstances might it make sense to deviate from them?

For a hotel restaurant, which is more important: higher profits or higher guest satisfaction scores? Argue both sides.

If you find that food costs are running 40%, what are some of your options for getting them down into the 25% range?