

# Sticker Shock

*A quality food and beverage program doesn't have to cost an arm and a leg.*

Budgeting for food and beverage expenditures can be a little like walking a tightrope. On one side, you have hungry and thirsty attendees who expect only the best. On the other side, you have corporate management putting on pressure to watch every penny spent.

Lean too far to either side, and you could easily land in a place you just don't want to be.

Fortunately, there are plenty of effective strategies you can use to keep costs under control without compromising quality — and many of them only require a simple balancing act between creativity and flexibility.

## It Takes Teamwork

When negotiating F&B costs, it helps to understand what it's like to be on the other side of the desk.

Hotels obviously need to make a profit, and the more you understand about their inner workings, the more successfully you can negotiate.

"The quantity of events helps when negotiating pricing," explains Don Davis, director of food and beverage at the Hilton Oceanfront Resort, Hilton Head Island, SC. "If a group is coming in and they only have two continental breakfasts, I'll be more reluctant to negotiate than if they have two continentals, an awards dinner, and a lunch. The more business they bring to me, the more I'm able to negotiate and be flexible with them."

Gene Hunt, CMP, LES, director of catering and convention services at the Hyatt Regency Crystal City, Arlington, VA, advises event planners to be as realistic as possible with their numbers.

"Inflating meeting room counts to get larger meeting space can unnecessarily increase your food and beverage minimum, particularly when meeting room covers do not match guest room blocks," Hunt says. He gives the example of one planner who requested event space for 400 people, but only had a block of 200 rooms.

"They weren't even close to meeting their minimums, and then it's, 'Oh my goodness, now we're in trouble.' It's important for you to understand what food and beverage minimums are based on. With most hotels, it's an automated process," Hunt says.

Hunt also stresses that communication is key. "Don't be afraid to tell me something. If you're on a tight budget, I want to know that now. One mistake people make with budgeting is waiting until the last minute, thinking it will go away," he says. "What they don't realize is that at that point, the hotel already has its forecast out to management about what they're going to make and it affects their flexibility."

## Where To Begin

Melinda Johnson-Martin, a master's degree candidate in hospitality management at Roosevelt University, Chicago,

By Karen Brost

# Keep The Cap On Liquor Expenses

Serving alcohol can be an important part of an event, but it can also send budgets spinning out of control. Here are a few tips for keeping the cap on liquor expenses.

- Buy a package sold by the hour. "You'll know exactly what you're going to be charged," said Don Davis, director of food and beverage at the Hilton Oceanfront Resort, Hilton Head Island, SC. "The math is done. If you don't have people who take advantage of it, you can do that kind of package."

- Try tickets. Limit guests to two or three tickets each, then go to a cash bar.

- Mind your wine. "If you leave the wine bottles on the table, more will get poured than if you have a wine steward doing the pouring," said Tyra W. Hilliard, J.D., CMP, assistant professor, Event and Meeting Management Program, George Washington University,

Washington, DC. "Also, make sure you have the proper ration of reds and whites. If you have uncorked bottles of red and people keep asking for more white, you'll end up opening more bottles of wine than you really need."

Gene Hunt, CMP, LES, director of catering and convention services, Hyatt Regency Crystal City, Arlington, VA, explained, "If you have just one wine, you're likely to go through less. Also, if you have a really tight budget, I would wait to pour the wine until after the entrée is put down."

- Know when to stop. Shannon Murray Kasakevics, CMP, manager of meeting planning and events, Country Music Association, Nashville, TN, said, "We normally have the banquet captain let us know when we have reached a certain dollar amount as a way to gauge how long we can keep the 'free bar' open."

pact of every F&B decision. For example, is it really necessary to have a continental breakfast for a 10 a.m. meeting? Will attendees even notice that the filet is five ounces instead of six?

Also ask: What's a better deal at this particular property — ordering by the piece or by the person? How much can be saved if items like boxed cereal, granola bars, and whole fruit are ordered on consumption?

## Appearances Count

It also helps to focus on what meeting attendees will remember most. Shannon Murray Kasakevics, CMP, manager, meeting planning and events for the Country Music Association, Nashville, TN said, "We sometimes will take two items off a buffet menu and add one more hearty item. The price is the same but the perception is more grandiose."

Comments Johnson-Martin, "For evening events, I like to have hors

d'oeuvres passed. It gives the illusion that there's a little more customer service — we're bringing the hors d'oeuvres to you. You don't have to go stand in line and get them at a banquet table."

At the same time, it can be a cost-saving measure. Attendees will generally eat fewer hors d'oeuvres when they're passed than they would if the items were placed at a food station.

## Guaranteed Success

For some events, coming up with an accurate guarantee 72 hours in advance takes nothing short of a crystal ball. But there are a few strategies that can make the process easier.

"Always consider the no-show factor," Hilliard says. "All too often, planners use their whole F&B budget on one event only to find that on a regular basis 20-percent of their group don't attend the dinner. That's certainly one way to save money, especially if it's a

year-to-year event."

Hunt explains, "A lot of people have a reception on their first night because they don't have confidence in their meal cover counts. That way they won't be in trouble for not having enough entrées."

Johnson-Martin advises, "Definitely get your guarantee in within the deadline. If you have extras, always, always let the hotel know as soon as you do. The hotel will supply a certain amount over, but it may not be enough."

Another factor to consider in the budgeting and planning process are guests who have special dietary needs. Whether they require Kosher menus, vegetarian meals, low-salt entrées, or have other special needs, it's important to accommodate their requests.

To flag these individuals in a large group, Johnson-Martin recommends giving them color-coded cards that they can discreetly give to servers to communicate their needs.

Even gender can make a big difference in F&B budgeting.

"Predominantly male groups are generally more beef eaters," Hilliard says. "That's typically more expensive than a

*You need to make sure you and the food and beverage department are speaking the same language. Misunderstandings can be costly.*