



# HTM\*2030

## Control Systems in the Hospitality Industry (Fall Semester 2016)

### General Course Information

<b>Instructor:</b>	William C. Murray, PhD
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<b>Phone</b>	519-824-4120 x 52786
<b>Office Location</b>	MACS205
<b>Office Hours</b>	Mon / Wed 12:30 – 1:30 pm or by appointment
<b>Department/School</b>	School of Hospitality, Food and Tourism Management
<b>TAs</b>	Jiayin Liu
<b>Class Schedule:</b>	<u>Lectures</u> Mon / Wed from 2:30 – 3:20 pm
	<u>Seminars</u> Section 1 – Thurs from 2:30 – 4:20 pm Section 2 – Fri from 8:30 – 10:20 am
<b>Pre-requisites:</b>	HTM*2000 or HTM*2700
<b>Exam:</b>	Friday, December 9, 2016 2:30 – 4:30 pm

### Course Description

This is a study of the policies and procedures required to control food, beverage and other products, payroll and other operating costs. Areas examined include such topics as cost behaviour and analysis, menu analysis, budget preparation and the interpretation of data. The course will also stress the application of analytical techniques. Examples from all industry segments will be used.

### Course Learning Outcomes

#### Upon successfully completing this course, you will be able to:

- Discuss the importance of the cost control cycle including its effect on the operation's profitability
- Evaluate a restaurant's menu and its effect on various aspects of the organization
- Discuss, including reasons and effects, the methods and steps required to control:
  - Revenue
  - Food and beverage costs
  - Purchasing
  - Receiving, storing, and issuing
  - Preparations and portions

- Payroll expenses
  - Utilities and other miscellaneous expenses
  - Theft / fraud
- Apply various quantitative and qualitative techniques to evaluate existing and proposed hospitality operations. (Note that, for various reasons, the emphasis in this course will be on food service operations. The same basic approaches are applicable across not only the hospitality industry, but in most businesses.)

## Course Assessment

	<u>Value</u>	<u>Due Date (tentative)</u>
Midterm 1	20%	During seminar class – Oct 6 or 7
Midterm 2	20%	During seminar class – Nov 3 or 4
Final Exam	40%	December 9, 2016 – 2:30 pm for 2 hours
Quizzes	10%	Throughout the semester via CourseLink
Individual Project	10%	
Total	100%	

## Teaching and Learning Practices

**Lectures** Weekly lectures; lecture-based

**Labs** N/A

**Seminars** Weekly seminars; mixture of applied problems, field trips and guest speakers

**Workshops** N/A

**Site/Field Trips** May require an external site visit for an assignment

**Philosophy & Direction** The overall goal of this course is to instill a respect for how important managing costs are for a successful and profitable hospitality operation. To do this, we will journey into the details of cost controls, including purchasing products, storing and issuing them properly, understanding how to plan for production, forecasting usage and proper portioning, and well as monitoring for a consistent product and the reduction of loss through waste and theft. At the end of this course, you should leave with good skills in basic business math, techniques that are immediately applicable for managerial decision making. To accomplish this, we spend a great deal of time discussing the values of cost controls and practicing techniques in control – balancing why to do it and how to do it. Your success will come through dedicated application, completing problems and examples, and interacting with your teaching team throughout the semester.

## Course Resources

### Required Texts:

Dittmer, P., Keefe, J., Hoyer, G., & Foster, T. (2010). Principles of Food, Beverage and Labour Cost Controls. Second Canadian Edition, John Wiley & Sons Canada, Ltd.

### Additional Readings:

<https://canadianrestaurateur.wordpress.com/2010/02/14/cost-control-is-the-key-to-survival/>  
<https://canadianrestaurateur.wordpress.com/2012/05/28/how-to-compare-your-restaurant/>  
<https://cdnbartaxadvisor.wordpress.com/2009/09/23/the-true-cost-of-staff-theft/>  
<https://canadianrestaurateur.wordpress.com/2011/01/29/restaurant-theft-findings/>  
<https://canadianrestaurateur.wordpress.com/2011/01/30/restaurant-fraud-theft-part-i/>

<https://canadianrestaurateur.wordpress.com/2011/02/12/restaurant-fraud-theft-part-ii/>  
<https://canadianrestaurateur.wordpress.com/2011/02/12/restaurant-fraud-theft-part-iii/>  
<https://canadianrestaurateur.wordpress.com/2011/02/14/restaurant-fraud-theft-part-iv/>

### **Calculators (very important):**

You will need a basic 4-function calculator (addition, subtraction, multiplication and division) for this course that you should bring with you to every class. These can typically be purchased for \$5-10. Calculators with any memory or formula functions will NOT be allowed in exams.

## **Course Information and Policies**

### **Exams:**

Midterm exams will be held during the seminar sections of this course in order to allow for a consistent two hour block of time. The final exam is scheduled during the formal exam period and details will be available early in the semester. Absence from any exam must be properly documented and follow university guidelines in order to avoid a grade of zero. For most issues, you will need documentation from medical services, counselling services, or the Dean's office (for medical or compassionate reasons). Vacation travel or outside work commitments, among other reasons, will typically not be accepted as valid for missing scheduled exams. A grade of zero will be assigned if you miss a scheduled exam unless you are ill or have compassionate reasons. Please read your Undergraduate Calendar for the regulations on these areas. When in doubt, contact your instructor. If you have religious observances which conflict with the course schedule or if you are registered with the Centre for Students with Disabilities, please contact your instructor as soon as possible to make alternate arrangements.

### **Quizzes:**

Quizzes will be scheduled throughout the course. Quizzes serve as a formative method of evaluation that provide you with feedback on how well you are incorporating the course material, specifically the concepts included in the textbook. They are very short, randomly generated quizzes that typically cover 2 chapters of material.

### **Assignment**

For this assignment, you will be required to visit a hospitality business and observe their operation, looking specifically at their internal control systems. There is flexibility in which areas of control you include in your project, but it MUST focus on cost control issues. (This is not an assignment in which you generally describe a company; it needs to be focused on course content.) Your critical, cost-focused assessment should include multiple areas, strengths and/or weaknesses, be strongly explained from a cost-perspective and be grounded in course theory. You should include what you notice, where it is happening, why it is important, and how the business could either maximize its value or address the challenge. Students will be asked to select their hospitality business at least two weeks before the due date and only a limited number of students will be able to choose the same location for their project. More detailed information will be provided in class.

### **Course Policy regarding use of electronic devices and recording of lectures**

Electronic recording of classes or class material, including videos, photographs, and audio recordings, is expressly forbidden without prior consent from the instructor. When recordings are permitted, they are solely for the use of the authorized student and may not be reproduced, or transmitted to others, without the express written consent of the instructor.

### **Laptops and other electronic devices.**

The use of personal electronic devices in spaces such as a lecture hall can be intrusive and disturbing to others in the learning environment. While you are permitted to use computers in the class, please do so only for note-taking purposes. The use of computers and/or mobile devices in class for playing games, web-surfing, or social networking will not be tolerated; you will be asked to leave the class if it becomes a problem. This is in attempt to maintain a focused learning environment, and of course good-practice for when you enter the work force.

### **Please note:**

Cell-phones, computers and other electronic devices will not be allowed in any examination rooms. Any student caught using such a device in the exam room (without express prior written consent from the instructor) will be referred immediately to the Associate Dean (Academic) for academic misconduct.

## Grading Policies

Unless you have discussed an extension ahead of the due date with your instructor, late penalties of 10% of the absolute grade available will be deducted each day (including weekends) from the grade earned at time of submission (e.g. you earn 75% on your project but submit it 2 days late, receiving a grade of 55%). Extensions may be granted on the basis of valid medical (doctor's note) or personal (note from Counselling Services) reasons, or at your instructor's discretion. Late assignments will receive a grade of zero and not be accepted once graded assignments have been returned to the class at large unless alternative arrangements have already been made.

Students who find themselves unable to meet course requirements by the deadlines or the criteria expected because of medical or personal reasons should review the regulations on academic consideration in the Academic Calendar and discuss their situation with the instructor immediately, and well as a program counselor or other academic counselor as appropriate.

<http://www.uoguelph.ca/registrar/calendars/undergraduate/current/c08/c08-grds.shtml>

## University Policies

### Academic Consideration

When you find yourself unable to meet an in-course requirement because of illness or compassionate reasons, please advise the course instructor in writing, with your name, id#, and e-mail contact. See the academic calendar for information on regulations and procedures for Academic Consideration:

<http://www.uoguelph.ca/registrar/calendars/undergraduate/current/c08/c08-ac.shtml>

### Academic Misconduct

The University of Guelph is committed to upholding the highest standards of academic integrity and it is the responsibility of all members of the University community, faculty, staff, and students to be aware of what constitutes academic misconduct and to do as much as possible to prevent academic offences from occurring.

University of Guelph students have the responsibility of abiding by the University's policy on academic misconduct regardless of their location of study; faculty, staff and students have the responsibility of supporting an environment that discourages misconduct. Students need to remain aware that instructors have access to and the right to use electronic and other means of detection. Please note: Whether or not a student intended to commit academic misconduct is not relevant for a finding of guilt. Hurried or careless submission of assignments does not excuse students from responsibility for verifying the academic integrity of their work before submitting it. Students who are in any doubt as to whether an action on their part could be construed as an academic offence should consult with a faculty member or faculty advisor.

The Academic Misconduct Policy is detailed in the Undergraduate Calendar:

<http://www.uoguelph.ca/registrar/calendars/undergraduate/current/c08/c08...>

### Accessibility

The University of Guelph is committed to creating a barrier-free environment. Providing services for students is a shared responsibility among students, faculty and administrators. This relationship is based on respect of individual rights, the dignity of the individual and the University community's shared commitment to an open and supportive learning environment. Students requiring service or accommodation, whether due to an identified, ongoing disability or a short-term disability should contact the Centre for Students with Disabilities as soon as possible. For more information, contact CSD at 519-824-4120 ext. 56208 or email [csd@uoguelph.ca](mailto:csd@uoguelph.ca) or see the website: <http://www.csd.uoguelph.ca/csd/>

**Course Evaluation Information:** Please refer to the [Course and Instructor Evaluation Website](#)

### Drop date

The last date to drop one-semester courses, without academic penalty, is **NOVEMBER 4, 2016**. For regulations and procedures for Dropping Courses, see the Academic Calendar:

<http://www.uoguelph.ca/registrar/calendars/undergraduate/current/c08/c08>

**Additional Course Information**

All announcements, required and recommended readings, assignment information and course updates will be posted on Course Link (D2L). It is your responsibility to keep abreast of course materials and relevant communication through this means. Furthermore, the instructor may normally be contacted using email (preferred) or telephone during regular business days and hours (Monday to Friday from 8:30 am-5:00 pm).

**Important University Dates:**

The schedule of important university dates can be found at:

<https://www.uoguelph.ca/registrar/calendars/undergraduate/2016-2017/c03/c03-fallsem.shtml>

**E-mail**

As per university regulations, all students are required to check their <uoguelph.ca> e-mail account regularly. E-mail is the official route of communication between the university and its students.