*School of Hospitality & Tourism Management*

FALL 2013

**Control Systems in the Hospitality Industry**

HTM\*2030

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| Instructor: | Connie Zavitz, CA |
| E-mail: | czavitz@uoguelph.ca |
| Office: | MACS 104 |
| Office Hours: | THURSDAY 12-1 By Appointment |
| Lecture: | Monday and Wednesday 2:30 – 3:20 pm (ROZ 102) |
| Seminars: | Seminar 01: Thursday 1:30 pm – 3:20 pm (MCLN 107)  Seminar 02: Friday 11:30 pm – 1:20 pm (MCLN 107) |
| Teaching Assistant: | Stephanie Tibelius (stibeliu@uoguelph.ca) |

**Course Description:**

A study of the policies and procedures required to control food, beverage, payroll and other operating costs. Areas examined include such topics as cost behaviour and analysis, menu analysis, budget preparations and interpretation of data. The course will also stress the application of controls.

**Course Prerequisites:**

HTM\*2700 Introductory Foods

**Course Objectives:**

By the end of the course, each student should 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:
  + Purchasing
  + Receiving, storing, and issuing
  + Food preparations and portions
  + Beverages
  + Revenue
  + Payroll expenses
  + Utilities and other miscellaneous expenses
  + Theft/fraud
* Apply various quantitative and qualitative techniques to evaluate existing and proposed hospitality operations. (Please note that, for various reasons, the emphasis will be on food service operations, the same basic approaches are applicable across not only the hospitality industry, but any business.)

**Required Texts:**

Paul. R. Dittmer and J. Desmond Keefe III, Gary Hoyer, Tim Foster, *Principles of Food, Beverage and Labour Cost Controls,* Canadian edition, 2010, John Wiley & Sons, Inc. There is an e-book available, but not recommended for this course as the mid-terms and final are open book. (Note: previous editions are acceptable)

The course text has been put on reserve in the library.

**Required Course Pack:** Available at the Bookstore – please bring all case studies to class and seminars.

**Methodology:**

The course will employ seminars, case studies, assignments, discussion forums, and readings.

**Monday & Wednesday Large Group Classes:** The classes will not be a traditional lecture format, for example, the instructor will not present a powerpoint presentation for the entire class. Students will be expected to come prepared and participate. Classes will include material not found in textbooks or other readings. You will receive participation grades for attending class. Examinations will cover all material discussed **in-class** and any assigned readings.

**Seminars:**  Materials covered in seminars will supplement course information and will provide practice in applying and synthesizing information from the text and large classroom. Cases, exercises, and question and answer sessions will be used. The majority of the time we will discuss the assigned material – students will NOT be allocated time to complete the case studies in seminar.

**Calculators:** You need a 4-function calculator (addition, subtraction, multiplication and division). Since many classes may involve calculation, **please bring a calculator to all classes.**

**Method of Evaluation:**

Your final grade will be determined as follows:

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|  | **Learning Objective** | **Due Date** | **Value** |
| Case 1: The Diner | Cash flow / Budgeting | Fri. Sept **27** (noon) | 10 % |
| Midterm Exam 1 | Unit 1 and Unit 2 | Wed. Oct 2 | 15 % |
| Case 2: Chester’s Place | Cost/Profit/Volume Analysis | Fri. Oct 11  (noon) | 10 % |
| Midterm Exam 2 | Units 1 to 5 | Wed. Oct. 30 | 15 % |
| Internal Controls Assignment (Discussion Forum) | Internal Controls | Initial post:  Nov 12  Forum Closes: Nov 17 | 2 % |
| Internal Controls Assignment (Written Assignment) | All Units | Fri. Nov 22 | 8 % |
| Forum & Group Participation (see attached) |  | Ongoing | 10 % |
| Final Examination | All Units | Dec 9 10:30 | 30 % |

**Midterms and Final Exam**

The midterms and final exam will be an open book exams – students are permitted to bring any paper resources into the examination room.  Students are not permitted to bring any electronic devises into the examination room with the exception of a basic calculator.

The examination questions will be short answer questions, similar to the short answer assignment questions.  There will be no multiple choice questions.

**Assignment Policies**

**Extensions**

Extensions can only be granted by the professor in advance of the due date. Each extension request will be evaluated on an individual basis.

**Late Assignments**

Late Assignments will not be accepted with out a medical note.

**The Course Website**

Course material, assignments, review material and a conferencing system are available in Desire to Learn.

**Accessing the Desire to Learn Course Website**

To access the course website, go to the University of Guelph home page

[**http://www.uoguelph.ca**](http://www.uoguelph.ca)

Select **Courselink**

**NOTE:** If you have trouble logging onto Desire to Learn, click the button “Browser Check” under the heading “Before you log in for the first time” to make sure your computer will run Desire 2 Learn.

Your **user name** is your UofG login ID and password.

**Academic Misconduct**

The University of Guelph is committed to upholding the highest standards of academic integrity and directs 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.

Academic misconduct such as plagiarism, cheating on exams, misrepresentation, and/or the submission of work for two different courses, without written permission, are not tolerated.  You are referred to the following location, part of the U of G academic calendar:

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

You should also be aware that your instructor(s) may choose to use special computer software to help detect and identify work submitted that has been plagiarised or copied from other sources. The penalties for plagiarism range from assignment failure, through course failure, to expulsion from the University.   If in doubt, please ask!

**Academic Consideration Statement**

Students who find themselves unable to meet course requirements by the deadline or criteria expected because of medical, psychological or compassionate circumstances beyond their control, should review the regulations on Academic Consideration in the Undergraduate Calendar (<http://www.uoguelph.ca/undergrad_calendar/c08/c08-ac.shtml>) and discuss their situation with the instructor, Program Counsellor or Academic Advisor as appropriate.

**Religious Holidays Statement**

Should a student need to miss a (class, lab, seminar, examination) for religious reasons, please advise the instructor in advance so that alternate arrangements can be made. Please see the following website for the University’s policies: <http://www.uoguelph.ca/hre/hr/hrholydays.shtml>

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| **HTM\*2030 Control Systems in the Hospitality Industry – FALL 2013**  **Tentative Lecture, Reading Schedule, and Seminar Exercises** |

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| **Unit** | **Dates** | **Topic** | **Readings** | **Seminar Requirements** | **Suggested Exercises** |
| 1 | Week 1  Sept 5 to 15 | Introduction to Cost Controls and Sales Concepts | Chapters 1 and 2  Reading: [Cost Control is the Key to Survival](mailto:http://canadianrestaurateur.wordpress.com/2010/02/14/cost-control-is-the-key-to-survival/) by Paul Hewitt | Kit’s Bar and Grill Part 1 | Exercises:   * Chapter 1: 7, 15 * Chapter 2: 13 |
| 2 | Week 2 & 3  Sept 16 - 29 | Cost/Volume/Profit Relationships | Chapter 3 | The Baraka Case Study  Vegetable Processing | Exercises:   * Chapter 3: 5, 7, 8 |
|  | **Case Study 1: The Diner – Hard Copy Due Friday September 27 by noon.** | | | | |
| 3 | Week 4  Sept 30 to Oct 6 | Purchasing, Receiving and Storage Controls | Chapters 4 and 5  Reading: [Restaurant Fraud and Theft Part 1 by Paul Hewitt](http://canadianrestaurateur.wordpress.com/2011/01/30/restaurant-fraud-theft-part-i/) | *No Seminar* | Exercises:   * Chapter 4: 4, 6 * Chapter 5: 5, 7 |
|  | **Midterm Exam 1 – Wednesday October 2 (**ROZ 102 **– in class)** | | | | |
| 4 | Week 5  Oct 7 to 13 | Production Controls | Chapters 6 and 7 | *Review Midterm and Case Study* | Exercises:   * Chapter 6: 6, 11 * Chapter 7: 1 - 6 |
|  | **Case Study 2: Chester’s Place – Hard Copy Due Friday October 11 by noon** | | | | |
| 5 | Week 6 & 7  Oct 14 to 27  \*\* No Class Mon Oct 14 \*\* | Monitoring Controls | Chapters 8 to 10  [Restaurant Fraud and Theft Part II by Paul Hewitt](http://canadianrestaurateur.wordpress.com/2011/02/12/restaurant-fraud-theft-part-ii/)  [Counting Inventory A Waste of Time by Paul Hewitt](http://canadianrestaurateur.wordpress.com/2010/02/13/counting-inventory-a-waste-of-time/) | KIT’s Bar and Grill Part II  Prior Year’s Midterm | Exercises:   * Chapter 8: 2, 4, 7 * Chapter 9: 6 * Chapter 10: 9, 10 |
| 6 | Week 8  Oct 28 to Nov 3 | Sales Controls | Chapter 11 and 12 | Kelly’s Restaurant | Exercises:   * Chapter 11: 1, 2,10 * Chapter 12: 13, 14 |
|  | **Midterm Exam 2 – Wednesday October 30 (**ROZ 102 in class time**)** | | | | |
|  | **40th Class Day – Thursday October 31, 2013** | | | | |
| 7 | Week 9  Nov 4 to 10 | Accounting Controls | Chapters 12 (p 324 to 335)  [Internal Control](mailto:http://www.cliffsnotes.com/study_guide/Internal-Control.topicArticleId-21081,articleId-21006.html)  [Internal Controls for Fun](http://canadianrestaurateur.wordpress.com/2010/02/09/internal-controls-for-fun-profit/)  [Restaurant Fraud & Theft – Part IV](http://canadianrestaurateur.wordpress.com/2011/02/14/restaurant-fraud-theft-part-iv/)  [Completeness of Revenue Part 1](http://cdnbartaxadvisor.wordpress.com/2009/11/14/restaurant-tax-fraud-then-and-now/) and [Part 2](http://www.ctv.ca/CTVNews/Canada/20110801/restaurant-tax-fraud-110801/) | Review Midterm and Case Study |  |
| 8 | Week 10  Nov 11 to 17 | Labour Controls | Chapter 18 to 21 | Cathy’s Greasy Spoon | Exercises:   * Chapter 11: 1, 2, 10 * Chapter 12: 13, 14 |
|  | **Internal Controls Discussion Forum Starts November 11 and Closes November 17, 2013**  **Original Group Postings by Tuesday November 12, 2013 by midnight** | | | | |
| 9 | Week 11  Nov 18 to 24 | Beverage Controls | Chapter 13 to 17  Reading: Restaurant Theft Findings  [Restaurant Fraud & Theft – Part III](http://canadianrestaurateur.wordpress.com/2011/02/12/restaurant-fraud-theft-part-iii/) | Flamboyant Lounge |  |
|  | **Written Internal Controls Report – Friday November 22 by Noon.** | | | | |
| 10 | Week 12  Nov 25 to 28 | Review |  | ***No Seminar*** | Henry’s Seafood  Teddy’s Restaurant |
|  | **FINAL EXAMINATION: Monday December 9 – 8:30AM** | | | | |

**Guidelines for HTM 2030 Grading of Participation Marks**

Note: the following **guidelines** will be used to determine the individual class participation marks:

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| **Category** | **Extemporary Behaviour** | **Highest Possible Mark** |
| On-line Discussions Contribution | Complete at least 7 of the 10 | 7 marks |
| Group Participation (refer to reference sheet below) | Excellent contribution, as evaluated by your peers, in each of the three case/group assignments | 3 marks |
|  |  | 10 Marks (10%) |

**EXAMPLE PEER EVALUATION SHEET**

**(Complete the Highlighted Items)**

**Peer Evaluation Form Submitted By:**

<< Last Name, First Name, Student Number >>>

**IMPORTANT: Each individual is expected to submit his or her evaluation in the drop box prior to the assignment submission deadline.**

Please rate your team members on the relative contributions that were made in preparing and submitting your group case study/assignment. Be candid in your assessment. Your ratings will not be disclosed to other students.

In rating your peers, use a one to five point scale:

**5 =Superior; 4 =Above Average; 3 =Average; 2 =below average; 1 = weak; 0 = unsatisfactory**

Note: All of the shaded areas must be completed

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| **Names (FIRST & LAST NAME, Student Number)** | **Last, First**  **Student #** | **Last, First**  **Student #** | **Last, First**  **Student #** |
| Participated in group discussions or meetings |  |  |  |
| Helped keep the group focused on the task |  |  |  |
| Contributed useful ideas |  |  |  |
| Quantity of work done |  |  |  |
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**Evaluation Guidance for Case Studies**

This course has two case studies: The Diner and Chester’s Place. The case studies are purchased as part of the course package. Each case study is worth 10% of your final grade (20% in total).

The format and marking structure for both case studies will be as follows:

* **Issue Identification (10%)**
  1. List the specific issue/question/problem that needs to be addressed.  Be sure to identify ALL of the questions that need to answered/analyzed – missing an issue will result in not completing the qualitative and quantitative analysis.
* **Qualitative Analysis (20%)**
  1. Identify the non-quantitative (no numbers) considerations that should be factored into the decision.  For example, what are the advantages of the project, what are the disadvantages?
* **Quantitative Analysis (50%)**
  1. Using the course material as a guide, complete the financial analysis. Be sure to show all of your calculations and assumptions, so that full marks can be awarded.
* **Recommendations (10%)**
  1. Based on the results of the qualitative and quantitative analysis, provide a recommendation/solution to the issues identified at that beginning of the case study.
* **Overall impression and presentation (10%)**
  1. A specific case format is not required, but the submission should be well written, clear and concise.  Hint:  the easiest way to receive maximum marks is to make your submission easy to mark.  For example, use of heading that correspond to the marking structure make it easier for the professor/TA to identify and award marks.