

Purchasing and Costing for the Hospitality Industry



Maria Rellie B. Kalacas

SOCIETY
Publishing

TABLE OF CONTENTS

<i>Glossary</i>	<i>ix</i>
<i>List of Figures</i>	<i>xvii</i>
<i>List of Tables</i>	<i>xxiii</i>
<i>List of Abbreviations</i>	<i>xxv</i>
<i>Preface</i>	<i>xxvii</i>

Chapter 1	Introduction to Hospitality Industry.....	1
	1.1. What Is Hospitality Industry?.....	2
	1.2. Different Sectors Under Hospitality Industry	7
	1.3. Role Of Human Resources In The Hospitality Industry	26
	1.4. Management Practices And Organizational Behavior.....	32
	1.5. Importance Of Budget Planning In Hospitality Industry.....	44
	References.....	52
Chapter 2	Definition And Overview Of Purchasing And Costing In Hospitality Sector.....	55
	2.1. Definition And Overview Of Purchasing.....	56
	2.2. Definition And Overview Of Costing	68
	2.3. Why Purchasing And Costing Are Essential In Hospitality Industry?...	79
	2.4. Purchasing And Costing – Changing Trends.....	83
	References.....	85
Chapter 3	Functions And Key Areas Of Purchasing In The Hospitality Industry.....	87
	3.1. Common Functions Of The Purchasing Department.....	88
	3.2. Purchasing In Food And Beverage Sector	91
	3.3. How Purchasing Works In Accommodation Sector?	102
	3.4. Significance Of Purchasing In Travel And Tourism Sector	104

	3.5. Need For Responsible Procurement In Hospitality Industry	109
	References	127
Chapter 4	Specification, Objectives, And Evaluation of Purchasing	129
	4.1. Purchasing.....	130
	4.2. Purchase Specification.....	131
	4.3. Purchasing – Objectives.....	140
	4.4. Purchasing – Evaluation	146
	4.5. Conclusion	153
	References	154
Chapter 5	Importance Of Costing In The Hospitality Industry	155
	5.1. Objectives Of Costing In The Hospitality Industry	156
	5.2. Basic Principles Of Costing In The Hospitality Industry	162
	5.3. Different Types Of Costing In The Hospitality Sector	166
	5.4. What Is Activity-Based Costing In The Hospitality Industry?.....	177
	5.5. Benefits Of Costing And Control	181
	References	184
Chapter 6	Cost Evaluation and Control.....	187
	6.1. Cost Control And Budgeting.....	188
	6.2. Inventory Cost Control	191
	6.3. Food And Beverage Cost Control	198
	6.4. Labor Cost Control.....	210
	References	222
Chapter 7	Standard Procedure And Policies Followed For Purchasing And Costing	223
	7.1. Policies Followed For Purchasing.....	224
	7.2. Costing Policies Followed In Hospitality Industry	231
	7.3. Different Procedures Followed For Purchasing	231
	7.4. Different Procedures Followed For Costing	241
	References	248
	Index	249

INDEX

A

- Activity-Based Costing method 177
- Actual responsibilities 137
- Archeological tourism 21

B

- Beverage Cost Control 204, 208
- Business environment 67, 69, 82
- Business management 39, 69
- Business research 188

C

- Competitive market 188, 211
- Complex network technology equipment 88
- Computerized Reservation System (CRS) 107
- Conservative Buying Policy 229, 230
- Contractual function 229
- Cordial relationship 26
- Corporate social responsibility (CSR) 119
- Cost information 231
- Cost information system 68, 69

- Costing data 160, 163
- Cross-training staff 214
- Customer attraction 77
- Customer service 105, 233

D

- Decision-making process 146
- Deliverable Materials 134

E

- Electronic transfers 228
- Energy efficiency 115, 117, 124, 125
- Energy-efficient products 126
- Energy-saving equipment 117
- Environmental aspect 115
- Environmentally preferable purchasing (EPP) 110
- Environmental management system (EMS) 123
- Equipment sourcing initiative 103
- Executive management 103

F

- Finance Department 237

- Finance management 47, 49
 Financial resources 45
 Food and Beverage Control 200, 201, 204, 208
 Food Cost Control 200
 Food inventory 100
 Food management 16
- G**
- Global economy 21
- H**
- Hospitality business 4, 6, 26, 27, 28, 32, 33, 36, 37, 40, 42, 43, 44, 46, 231
 Hospitality business progress 84
 Hospitality Industry 1, 2, 5, 40, 45
 Hospitality organization 39
 Hospitality services 79, 84
- I**
- Identical quantitative 242
 Internal consumption 91
 International Organization for Standardization (ISO) 115
 International visitor spending 20
 Inventory management 191, 192, 193, 201
 Inventory management system 192, 193
- J**
- Joint Electron Device Engineering Council (JEDEC) 138
- K**
- Key performance indicators (KPIs) 125, 152
- Kitchen display system (KDS) 215
 Kitchen order ticket (KOT) 215
- L**
- Leadership 217
 Life-cycle assessment 115
- M**
- Managerial activity 130
 Marketing 42
 Materials Management function 233
 Modern marketing channel 42
- N**
- Natural resource 115
- O**
- Operating Costing 242, 244
 Organizational behavior 32, 37, 38, 39, 40
- P**
- Point of Sale (POS) 192
 Pre-qualification questionnaire (PPQ) 122
 Process Costing method 245
 Procurement system 67
 Production volume 168
 Purchase order (PO) 225
 Purchase specification 131, 134, 135, 136, 138
 Purchasing management 130, 146
 Purchasing procedure 226, 231
 Purchasing Software 84
- Q**
- Qualifying energy-efficient equipment 118

Quality organizational behavior 37

R

Raw materials 130, 131, 143, 144

Reactive approach 131

Recognize sustainability 125

Relationship management techniques 60

Request for proposal document (RPF) 57

Request for Proposal (RFP) 122

Responsible procurement 109, 110, 111, 113, 116, 117, 118, 120, 121, 122, 125, 126

Responsible procurement policy 113, 117, 122, 125

Retaining employees 30

S

Senior management 143

Strategic planning 45, 48

Supply chain management (SCM)

59, 92

Systematic approach 146

T

Technological methodologies 83

Tourism industry 6, 7, 11, 18, 19, 20, 26

Transport arrangements 102

Travelling Purchase Requisition 234

U

Uniform Costing method 246

V

Volatile demand scenario 109

W

Work opportunity tax credit (WOTC) 216