



QUALITY PROBLEMS IN RESTAURANTS – PROCUREMENT, STORAGE OF RAW MATERIALS

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ABSTRACT

I am writing about procurement of the restaurants in relation to the defects of quality. A lot of quality problems are resulted by negligence, so firms, restaurants can easily become bankrupt. Some reasons for quality defects should be avertable if workers of the given restaurant utilized the old stocks when cooking or in other ways. In addition, I will mention how to solve problems of quality defects. Naturally, restaurants can have other procurement problems, too, for example they need cooking equipment, dishes, utensils etc., but the goods can get spoiled if they are unutilized. The firm will not get back the expenses. They should make an effort to reduce costs. In some cases because of the substandard, they should destroy as refuse by other firms (the restaurants need contract with them). The only targets are to be competitive at a variety of market and to meet the customer's requirements.

Keywords: restaurant, quality problems, storage, procurement

1. INTRODUCTION

Logistics is there in a number of fields of the everyday routine: transportation of primary materials, semi-finished or end-products from their original place to the place of use in a cost-effective way which assumes a process of planning, realization and control and the primary criteria of which is to fulfill the customers satisfaction. Operation of a catering unit involves a logistics process, an activity of material procurement, also production and sale of outputs with some „added value”. Let's have a closer look at the logistics tasks related to this scope of activity and problems which arise while fulfilling these tasks. We will also touch upon the quality problems of the bonded primary materials and products and we will reflect upon the possible solutions of these problems.

Procurement is a multi-layered task in a restaurant which includes purchase of tools, utensils and materials, too. It is necessary to provide the most suitable conditions in the storage using fridges, for example.

The most important criterion of the successful operation of a popular catering unit is either to offer traditional Hungarian meals made from local ingredients or to meet the guests' expectations with international cuisine (as elements of the meeting the guests' expectations competitiveness, profit and prestige are also considered as crucial aspects) which is expected justly from either a less popular or a prestigious restaurant, too. Guests do not have such high requirements in case of a less popular restaurant, regarding prices as in case of a much more expensive, „elite-like” restaurant.

Nowadays the greatest problem in catering is the lower quality level of primary materials. Procurement of primary materials in the appropriate quality and quantity is still an everyday problem for a restaurant owner which means that the greatest problem is not the shortage of primary materials since Hungary has excellent conditions for agriculture, food-processing and trade. The lack of skilled labour is a serious issue together with the lower level of vocational training in our country. Still, there is an oversupply from restaurants and snack bars, though demand is fairly small. [1,2]

2. “CAREFUL PROCUREMENT”

It can be expected from a manager to be continuously informed about the opportunities of the supplying market, to be able to analyze the offers of hundreds of wholesalers, primary producers and resellers and finally to choose the most favourable one. Being fully aware of the restaurant demands, it is necessary to know the suppliers' expectations and services in order to find the most suitable partners. [3]



The catering units need raw materials for production which they can purchase from a number of trading channels. The purchased goods have to be received, stored and then cooks can draw the necessary materials from the store.

For successful procurement the following aspects have to be defined:

- procurement strategy,
- the long-term principles of procurement.

Besides, it is necessary to ensure the following points with daily decisions:

- continuous supply of goods,
- undisturbed sale.

When planning a procurement strategy it is vital to decide which principles should be followed, which methods would be applied by the enterprises in the process of procurement. These are the following:

- quantity and choice of goods,
- the points according to which they choose partners for procurement.

The short-term decisions of procurement:

- continuous supply of goods,
- adaptation to the changing demands.

Procurement has three parts:

- ordering
- delivery
- receipt of goods. [4]

The five most important appropriateness criteria of the procurement strategy:

1. *Appropriate quality*: maintaining the market position, reduction of quality-expenses, methods: samples of goods-mystery shopping, value analysis.
2. *Appropriate price*: supply price-the price adoption by the clientela, conditions of payment on both sides, the advantages of bigger companies in price war due to the better bargaining power.
3. *Appropriate quantity*: the aim is to have a smaller stock, so 'I order less but more times'. Benefits of discounts from ordering bigger quantities, and the method of packaging is also an influencing factor.
4. *Appropriate time*: Time and the size of the item are closely related.
5. *Appropriate supplier*: Choosing suppliers and the appropriate methods of negotiation, the involvement of suppliers into stock finance.

In procurements it is mandatory to keep close watch on the range of products and after asking for a bid to contract with the most favourable tenderer. Procurement of different primary materials can be accomplished from different suppliers, from different producing companies.

Managers, who are often responsible for procurement in the lack of a specialized employee, always watch when the stock is running out, or if there is a positive bid, which they cannot decline, they order it. The danger of this latter one is the faulty supply (quality problem may cause increase in expenses and accumulation of useless goods). Procurement has to be considered together with sale and stockholding. [5]

The following factors should be considered in case of procurement:

- connection between the quality indexes of goods and the bid
- quality – shelf life – eatability, consumability
- terms of transportation
- terms of payment.

We have try to get goods with better quality for the more favourable price. It is obvious that the buyer wants to purchase the primary material in the smallest amount possible, more often possible and this way he can have less risk – he can avoid accumulation of stocks and expiration of the shelf life/eatibility of the primary material. The interest of suppliers is exactly contrary to it.



Sources of procurement:

- directly from the industry (dairy industry, meat industry)
- from wholesalers
- from retailers (goods, primary materials in smaller amounts to supply a deficiency)
- from primary producers (mostly seasonal goods but we should pay attention to the expiration date).

It is fundamental to check the quality of goods at their receipt. The class –whether first or second class– should also be considered. The primary material has to be examined with senses in order to see whether it has some quality problems before its receipt. [7]

3. TASKS RELATED TO THE RECEIPT OF GOODS, POTENTIAL PROBLEMS AND THEIR SOLUTIONS

The last stage of procurement is the receipt of goods. The restaurant has to provide the appropriate staff and conditions for it. It is a crucial point if the receiver of goods knows the rules of receipt and the goods themselves.

The received goods have to be compared to the order.

It has to be made clear if the goods have arrived from the given supplier, in the ordered quantity and for the contracted price.

If a smaller amount has been transported than what was ordered, it will be necessary to order again. It can be caused by e.g. temporary supply shortages at the supplying company.

If a bigger amount has been transported than what was ordered, the restaurant is not obliged to receive it. However, it is necessary to consider its receipt thus facing bigger expenses, the case when the articles remain in stock or the expiration date etc. Since in a summer season, at the weekends or on holidays the restaurant can expect bigger turnover, so it is worth ordering and storing more primary materials.

Receipt of goods according to quantity and value

1.

The goods have to be received with vouchers (invoice, delivery note).

Quantitative receipt cannot exist without checking the articles by counting them: the quantity in the order has to be the same as the quantity received. At quantitative receipt checking of packs can be carried out only in case of damages. It is basic to make a record of the mistakes inside the packs posteriorly and then to inform the supplier about it.

Receipt in value involves checking in items when we examine if the price of the articles delivered to the unit corresponds to the invoiced prices and its quantitative product to the value.

4. GOODS RECEIPT ACCORDING TO QUALITY AND PROBLEMS IN QUALITY

At qualitative receipt it is fundamental to examine if the goods meet the terms of quality and eatability.

Qualitative receipt can be accomplished:

a) With the examination with senses

The first task of the qualitative receipt is the inspection in which we use our senses to determine the quality. It can be done with eyes, by touching, tasting or smelling the articles which can show us if they seem to be fresh, we can smell strange smells or if the status of goods is suitable.

Inspection has to involve:

- the cleanliness of the transporting vehicle,
- the personal hygiene of the transporting staff,



- placement of the goods inside the vehicle (e.g. on euro pallets, in materials handling totes or in containers),
- outer cleanliness, undamaged state of packs,
- information located on the packaging (expiration date, signs in Hungarian),
- pest exemption, traces of insects or rodents on the packaging or on the pallets etc.

b) With checking the expiration date

At the receipt it is essential to check if the shelf life and/or the use-by date are marked.

(Fig. 1)

b/1. Shelf life

Within shelf life the product remains suitable for consumption on the set temperature which means that:

- it preserves its microbiological safety
- it surely preserves its sensory, chemical, physical, microbiological features,
- it corresponds to the nutritional information on its sign provided it is stored and treated properly.



Figure 1. Use-by date of pre-packed vegetables [6]

b/2. Use-by date

In case of foods which become tainted quickly from microbiological aspect and which can be dangerous for health if eaten after shelf life, it is necessary to mark the use-by date instead of shelf life.

At goods receipt it is considered as a faulty fulfillment if at the time of goods receipt the third of either the shelf life or the use-by date of the product has already expired.

c) With mechanic examination

In case of frozen or deep-frozen articles temperature is a very important data at the receipt. When receiving meat we can use e.g. a food probe thermometer.

d) With the examination of the chemical components of the goods

In special cases it might be necessary to check the chemical components at goods receipt. [8]

In so far as the receiver in the restaurant experiences that the delivered article has such kind of damage in quality which can be felt by senses, he can refuse to receive it.



In this case goods with faulty quality have to be collected keeping the packaging, a record has to be made about the goods which include the number of the returned articles, their value, their exact name, and finally a return account has to be created. [4]

5. QUALITY PROBLEMS AND THEIR SOLUTIONS AFTER PLACING THE PRIMARY MATERIALS IN STOCK

At ordering it is advisable to consider the capacity of the storerooms of the restaurant, the shelf life and expiration date marked on the packaging, and the potential time of utilization. All of them are determined by the producer.

It is recommended to order smaller amounts and order more times from perishable primary materials (e.g. vegetables, fruit). Regarding their seasonal features they should not be stored for a longer time in a hot summer since their quality can decrease very quickly. If they are used in meals as primary materials, it will not meet the costumers' expectation either in quality or in taste. Meals are often served with fruit, vegetables which are calculated in the price. Shrunken, spoiled fruit or vegetables served with the courses do not make a positive impression on the customer about the restaurant, it may result that all the food there will be judged after that negative impression. It is natural that it does not involve only vegetables or fruit but every kind of primary material, mainly meat and other articles where the issue of quality and shelf life are essential. It is indispensable to have hygienic conditions and to check quality of the stock continuously. Also, we have to pay attention to the regulations and prescriptions in the storerooms (the temperature in the fridge, humidity, rodent hazard etc.). That is why it is necessary to know the different regulations, the HACCP thoroughly and to apply them carefully.

All in all, articles have to be checked not only at goods receipt but all the time and it is vital to throw out the perished articles or those whose shelf life, used-by date have expired. At scrapping materials unsuitable for consumption are deleted from the stock and if it is decided so, they will be destroyed. Some companies are specialized on annihilation of food waste which transports the spoiled materials and leftovers, too. [9,10]

6. SUMMARY

In different life stages of a catering unit – from the beginning up to decline – it is necessary to procure primary materials, to plan the process, to tender suppliers in order to choose the most favourable bid. It is also mandatory to have up-to-date information about different channels of procurement to obtain the most favourable terms. All these things require that the manager should know the regulations and should be able to organize everything carefully.

Besides, timing is a very important factor, too: activity of ordering to accumulate inventory is not a really positive decision in winter when turnout is fairly low (except holidays) since materials can remain in stock for a longer time and it may cause degradation in quality. That is why it is important to follow the amount of stock continuously. It is advisable to order after pre-determined intervals but there is also a possibility to order quickly, immediately in smaller amounts, caused by shortage of primary materials, from retailers.

In case of degradation in quality caused by either careful or careless procurement there are more possible solutions. However, all of them have one goal: the company has to suffer the lowest loss possible and expenses of procurement have to be returned on a certain degree. It makes possible that operation of either a company, a firm or a catering unit can be maintained in the long run, regarding the increasing ration of the income related to the expenses or at least, keeping a relative balance. Increase in expenses and reduction of the income can easily result in liquidation of the company, which can be avoided by rational and careful logistics measures, besides other steps taken to save the company. That is why it is necessary to sell the primary materials in form of final products as widely as possible and to reduce the hazard of scrapping continuously observing the expiration dates – e.g. the material close to its use-by date has to be used as quickly as possible and this way expenses and incomes can be kept in balance efficiently.



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