

Hospitality Review

Volume 13

Issue 2 *Hospitality Review* Volume 13/Issue 2

Article 1

1-1-1995

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Recommended Citation

Fisher, William P. (1995) "Food Service Management: A Case Study in Adaptation," *Hospitality Review*: Vol. 13: Iss. 2, Article 1.
Available at: <http://digitalcommons.fiu.edu/hospitalityreview/vol13/iss2/1>

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Food Service Management: A Case Study in Adaptation

Abstract

The rapid growth of the food service industry has redefined the role of the manager today. According to the executive director of the National Restaurant Association, future trends and pressures will accelerate these changes and necessitate a new look at these managers.

Keywords

William Fisher, Food and Beverage

Food Service Management: A Case Study in Adaptation

by
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The rapid growth of the food service industry has redefined the role of the manager today. According to the executive director of the National Restaurant Association, future trends and pressures will accelerate these changes and necessitate a new look at these managers.

In many ways, today's food service industry is fundamentally different than it was a decade ago. As our society moves to a faster-paced lifestyle, restaurants and the entire food service industry have been redefined. In 1984, the food service industry generated \$164 billion in sales. This year, the industry is projected to generate sales in excess of \$290 billion. Today, we employ 9.4 million people, almost twice as many people as we employed in 1984.

The growth in so-called "comfort food" and "home-replacement" categories are two obvious outward signs of how our industry has shifted to meet society's needs in the age of technology and two-income households. In 1982, 38.2 percent of the food dollar was spent away from home. Ten years later, 43.7 percent of the nation's food dollar went to food outside the home, and the growth in home-replacement meals was largely responsible for that 14 percent increase. It won't be too long before 50 percent of the food dollar is spent outside the home.

Today, the nation's food service community provides more meals and fills more roles than ever before. For consumers on the go, we make it possible to eat healthy, balanced meals and still meet the demands of active lifestyles. We provide comfort and special handling for consumers who feel the need to treat themselves. We provide an entertainment experience for families, couples, and friends. Restaurants are no longer simply a place where America goes to eat. Today, restaurants are where America comes to life.

The growth of the industry in pure sales numbers and employment is relatively easy to track and quantify. But the innovation in food service and restaurant management is more elusive to pin down. Nevertheless, it is creative, innovative, adaptive managers who have

made possible the rapid growth and development of the industry in the face of dynamic changes in the marketplace.

Take the role of the food service manager. Today, the basic functional areas of a restaurant manager's job description are strikingly different than a decade ago. Where once they were generalists, today's managers need to be specialists. Today's managers must be skilled human resource administrators and management information specialists and have a working knowledge of nutrition. They need excellent interpersonal skills, highly developed teaching and training skills, and effective motivational skills. Today's managers must be better educated than ever before.

Staffs Grow More Diverse

One of the central managerial responsibilities has always been supervision of shift operations. But the skills required of successful supervisors are greater than ever. Today's staffs are more culturally, educationally, and economically diverse. Multilingual capabilities have become a distinct asset for many managers. Training in cultural differences and sensitivity to those differences is essential in some situations, helpful in others.

But it is no longer enough to be a good manager of human resources. New and pending federal legislation and regulation in the areas of health, safety, and nutrition, as well as increasing consumer interest, mean that today's food service professional needs to be more knowledgeable of these issues. Understanding the difference between saturated and unsaturated fats and being able to properly promote nutritional offerings could mean the difference between success and failure. Further, the ability to effectively communicate this knowledge to staff members is increasingly important.

But perhaps the biggest change in the managerial job description is the added technological component. Ten or 15 years ago, a manager could be computer illiterate. Not today. As routine tasks, such as scheduling, compiling unit sales, and monitoring inventories become more automated, managers require greater and greater levels of computer proficiency. Marketing to new customers and maintaining regular clientele is becoming increasingly dependent on computer-based information systems. To keep pace with the competition and to perform their daily tasks, managers need to be familiar with hardware and associated – but rapidly changing – software. And the ability to train employees on these systems is of paramount importance.

Marketplace Trends Will Redefine Roles

Today's food service managers must be more adaptive and receptive to new ideas, new contingencies, and new technologies than ever before. And to date, they are succeeding. But the pace of change in the coming decade will dwarf the changes of the past 10 years.

The trends and pressures of the marketplace will continue to redefine roles. Increased competition for the food dollar, combined with

Bureau of Labor predictions for slower growth in real GDP and real personal consumption, means that managers are going to need to concentrate more on customer service and marketing to develop and maintain a steady clientele. If you take a look at recent numbers for the industry as a whole, this need becomes clear. Real sales for 1995 are projected to increase only 2.4 percent. That comes on the heels of a 2.7 percent growth in real sales for 1994. Moreover, these two years represent the industry's best growth since 1988. In some dining categories, growth has been even flatter. Full-service restaurants are predicted to experience only a .7 percent increase in real sales in 1995, the smallest predicted growth in any food service market segment.

Consequently, managers will increasingly need to develop and exploit competitive points of differences, such as service. This means soliciting more customer feedback, spending more time satisfying customer requests and setting and enforcing more standards for employees regarding customer interaction and satisfaction.

Another consequence of greater competition for the food dollar will be increased, site-specific marketing efforts. While some marketing functions will remain centralized at corporate headquarters, greater responsibility for local store marketing will reside with the managers who will be expected to have a better understanding of local market demographics, external marketing plans, direct-marketing skills, and promotional strategies.

But these added responsibilities do not supersede or replace the basic functions of planning and supervision. Rather, they represent a natural progression toward a trend that began years ago. With a rapidly changing market and advancing technologies, managers are taking on more and more responsibility for the restaurant's bottom line. In many cases, managers are the key to a restaurant's success.

Are We Ready?

The changes outlined here are significant. And the progression toward a manager/operator may seem unsettling. But there is another piece of the food service management puzzle. The Bureau of Labor Statistics projects a 30 percent growth in the number of food service employees by the year 2005; many of those jobs will be managerial positions. The National Restaurant Association estimates that the industry will need to recruit 76,000 new managers between 1993 and 2005.

The only way to fill these jobs with qualified, skilled employees is through a concerted, coordinated effort between academia and the industry. And it won't be easy. But by working together and emphasizing more leadership and management skills in curricula, we can effectively train the food service professional of the 21st Century and provide this industry with a dynamic and exciting future.

William P. Fisher is executive vice president of the National Restaurant Association.