

# F&B—REVENUE MANAGEMENT



Alain Najjar

## MODULE LEADER

**Alain Najjar**, is Professor at Ecole hôtelière de Lausanne (EHL), Switzerland, since 1992. He is also an EHL graduate and holds an MBA, Business School Lausanne. His industry experience spans 13 years with Hilton International, Sheraton and the Accor group in Kuwait, Dubai, Madagascar, Syria and Egypt. His areas of expertise in F&B include management, control, finance, quality assurance, HACCP and marketing. He facilitates professional seminars in the annual Summer Programme at EHL, and in hotels in Bangkok, Hong Kong, the UAE, Israel, Egypt and India. He is also a professional member of the FCSI (Foodservice Consultants Society International) and a member of IFB (international Food & Beverage Forum).

## RECOMMENDED READING

- Cross, R. G., (1998), *Revenue Management, Hard-Core Tactics for Market Domination*, Broadway Books, New York, ISBN 0-7679-0033-2
- Ingold, A., McMahon-Beattie, U. and Yeoman, I., (1997), *Yield Management Strategies for the Service Industries, 2<sup>nd</sup> Ed.*, Broadway Books, New York, ISBN 0-7679-0033-2
- Nagle, T. T. and Holden, R. K., (2002), *The Strategy & Tactics of Pricing*, Prentice Hall, Harlow, UK, ISBN 0-13-026248-X
- Warner, A. and Goodwin, C., (2002), *Pricing For Long Term Profitability*, Prentice Hall, Harlow, UK, ISBN 0-273-65933-2

## PRICE

**CHF1,800** (~€1,100)

Prices in Euros (€), as at September 2007, are only a indication; payment will be in Swiss Francs (CHF)

## MODULE DESCRIPTION

Looking at many of today's leading hospitality operators one can see that they are using yield management or revenue management to monitor their sales and increase their profitability. The high fixed costs of running a restaurant penalizes operators who under-use their capacity. In a market with increasing competition companies must focus on gaining incremental sales and profits by using existing resources properly.

Selling the **right product** at the **right time** to the **right customer** at the **right price** is of the utmost importance in an F&B operation. The crucial element in a revenue management strategy is to relate prices to the length of time guests spend at the table. Considering that restaurant capacity is fixed and perishable, and that demand can be segmented, how can restaurant owners influence customer behaviour or adjust their capacity to meet demand? This Module complements the previous Module "The Bottom-Line: F&B Profit Maximisation" and addresses issues in creativity, customer responses and key restaurant ratios that increase revenue, boost consumer satisfaction and improve margin levels.

## LEARNING OBJECTIVES

By the end of the Module, participants will be able to:

### Knowledge

- Explain the relationship between statistical guest ratios and profit margins
- Identify KPIs (Key Performance Indicators) for F&B revenue management
- Elaborate the five-step approach to F&B revenue management

### Competencies

- Link menu engineering strategies and tactics to revenue and capacity management
- Apply techniques in reservations and service time to manage—and optimize—restaurant capacity
- Apply the most appropriate pricing strategy for a restaurant, considering local parameters
- Assess the effectiveness of pricing strategies

### Mindset

- Address issues and consequences in over- and under-capacity
- Recognize common factors among revenue management, capacity management, sales techniques and customer relationship management

## METHODOLOGY

- Problem-based learning with the use of real industry examples and case studies
- Please come with a **basic calculator**

## PARTICIPANTS

Middle management executives in the food service industry, including restaurant operators, cost analysts, cost controllers and income auditors