

Negotiating F&B

By Jerry Murphy, CMP

Gone are the days when food and beverage negotiations were done over the phone with your catering manager, trying to get a dollar off a gallon of coffee. These days, with meeting planners under pressure to submit realistic budgets and hotels looking at food and beverage as a significant revenue center, everyone is taking food and beverage expenses very seriously.

The first step in food and beverage negotiations, just as in any other type of negotiation, is to gather all of your facts and figures. Using post-convention reports, calculate exactly how much your meeting is worth to the hotel in terms of food and beverage revenue. Don't forget to include "hidden" revenues from affiliated groups, hospitality suites, individual room service, exhibit floor concessions, and on-site restaurants and lounges.

Next, draft a list of your priorities. Although everything is technically negotiable, it makes sense to determine what you absolutely must have and what you can live without because chances are you won't get everything that you ask for. So ask yourself how imperative it is to get filet mignon at a particular price or to have themed coffee breaks every day or to serve a different wine with each course at your final-night banquet.

The following guidelines address a number of important issues, including price, complimentary items, guarantees and oversight, and service. Keep in mind that the time to begin food and beverage negotiations is at the contract stage; waiting until six months or a year out will leave you with little to no bargaining leverage.

Price

If you're booking five years out, you can't expect to negotiate menu prices at the time the contract is signed.

But you can expect to establish cost parameters before signing on the dotted line. You may, for example, be successful in negotiating a fixed percentage off the printed menu prices in effect six months before the meeting date. Another technique is to negotiate to have the previous year's prices apply to your meeting. Or you could attach the current banquet menus to the contract and negotiate that the prices won't increase by more than a certain percentage each year (perhaps 5 percent or the Consumer Price Index, whichever is smaller).

Catering managers usually don't like to establish firm menu prices until six months out, but you may be able to negotiate them as much as 12 months out by agreeing on a percentage ceiling above the current prices. If it turns out that prices drop in the interim, you can cover yourself by stipulating in the contract that you will pay whichever is less — current costs or the ceiling price you established.

If the menu prices don't meet your budget, you can usually be more successful by working with your catering manager or the chef to design menus that are in your price range. You may even be able to choose the same menu as another in-house group and thereby save the hotel time and money by not having to create an entirely different preparation. (If you do this, be sure to schedule your dinner to start just before the other group's dinner so that your function won't be affected if the kitchen runs out of food.)

Complimentary Items

While the days of complimentary receptions are pretty much over (unless you offer great value during the off season), you still may be able to negotiate a relatively low-cost comp or two. If your group is hosting a large or lavish dinner, for example, ask the hotel to provide complimentary hors d'oeuvres, a glass of wine, a dessert, or perhaps an upgrade of one of your courses.

Other comps to consider negotiating include: a continental breakfast for your board meeting; a reception or dinner for the executive board; decorative items such as props, votive candles, centerpieces, ice carvings, or themed backdrops; one complimentary meal for every 50 to 75 covers; or a credit to your master account based on a fixed percentage of your total food and beverage revenue.

Take a chance and ask for something even if you don't think you're going to get it. Remember, if you don't ask you won't receive.

Guarantees and Overset

Many hotels have increased their guarantees from 48 hours to 72 hours, meaning that you need to give the catering manager a final head count for all of your food and beverage functions three days before they're scheduled to take place. Depending on the individual property and the complexity of your menus, however, you still may be able to negotiate a 48-hour guarantee. If you're ordering standard food and beverage items that are offered in the hotel restaurants, for example, the property may agree to a 48-hour guarantee.

The majority of hotels also have decreased overset from 10 percent to 5 percent, meaning the property will set up seating for 5 percent more than the guaranteed number of guests at any given food and beverage function. For groups of more than 1,000, however, many hotels cap the number of extra seats at 50.

Depending on the menu and style of service, you may be able to negotiate a higher overset percentage. You may be able to negotiate 10 percent on a standard buffet or continental breakfast, for example, but you probably won't be able to make that kind of a deal for a custom-designed menu at a formal sit-down dinner.

It's also important to note that the term "overset" typically refers to the setup of extra tables and chairs. It doesn't necessarily mean that the hotel will be prepared to serve food to the additional people who might show up. So unless you specify in the contract (and remind the catering manager) that the hotel will not only set the extra places but also will be prepared to serve, some of your guests might be left

waiting for their meals...or find themselves eating a meal that's different than everyone else's.

Service Ratios

Payroll costs can account for as much as one-third or more of a meal function's total price. Consequently, some hotels are reducing the number of servers at group events. So be sure to negotiate service ratios and spell them out in your contract. For a sit-down or plated meal, there should be at least one waiter for every 25 guests at breakfast and one for every 20 at lunch and dinner. For a buffet meal, the preferred ratio is one-to-40 for breakfast and one-to-30 for lunch and dinner. It's also important to specify that there will be no extra labor or service charges for these ratios.

If the menu is higher priced or has many courses, try hard to negotiate a service ratio of one-per-16 or one-per-15. When wine is being served, you must have more servers; otherwise food service will be slow when wine is being served, and wine service will be slow when food is being served. Once again, a one-per-15 or one-per-16 ratio will work. But don't pay extra for these ratios since the hotel shouldn't decrease the quality of service at your event when you spend more by adding wine or extra courses.

Many properties now apply a flat service charge to meal functions under a certain size (typically 25 people). These types of charges can add up, especially if you stage many smaller events throughout the year. Whether your meeting is large or small, however, it always makes sense to ask for the service charges, labor charges, and/or bartenders fees to be waived altogether...or to be based on the total dollar amount spent on the function. (For large hosted bars, don't ever pay bartender fees.)

Finally, be sure all of the specifics that you negotiate with the catering manager are spelled out in your contract. Remember, if you don't get it in writing you might not get it at all.

Jerry Murphy is an account planner at Conferon, Inc. in Chicago. Additional information for this article was obtained from Hotel Catering: A Handbook for Sales and Operations, co-authored by Patti Shock.

Menu Planning 101

By Karen Watson, CMP

It looks so easy in *Bon Appétit* — though not necessarily in *Martha Stewart Living* — but there are a myriad of variables to think about before you can begin planning banquet menus. There's the obvious factor of budget, since this may eliminate any number of items from the menus as options, but there are other important considerations as well.

Attendee Profile

Within a corporation, you might plan a national meeting for store managers from around the country, including smaller cities and rural areas, or you might plan a team-building program for the northeast sales force. Within an association, you might organize an event for a group of student volunteers or for the board of directors. Even though everyone is from the same company or works in the same industry, there are differences that determine what types of menus may or may not be appropriate.

Younger attendees may eat healthier, but they're also still more likely to enjoy junk food or more casual fare. Older delegates may not want anything too exotic, spicy, or heavy. Some women might not mind being served chicken or fish or a salad entree, but some men might not be satisfied unless there's a piece of beef on their plate. Other factors that can help you predict the types of foods that may be acceptable to a particular group include: occupation, socioeconomic status, ethnic background, and geographic area.

Scheduling

Take into account what your delegates will be doing immediately before and after the meal. If they're coming from a function at which heavy, filling hors d'oeuvres were served, the meal should be lighter. If they're coming from a liquor-only reception, the meal should be heavier.

Ease of Production

Certain delicate items, such as lobsters and soufflés, can't be produced and served in large quantities without their quality being sacrificed. Chicken and beef, on the other hand, are banquet staples for good reason. They're easy to prepare, they can be cooked a variety of ways, and they're palatable to most people. Beef also has the advantage of being consistently available in a wide range of cuts.

Labor Costs

Since payroll costs can account for as much as one-third of a meal function's total price, it makes sense to steer clear of items that require a lot of time and/or many pairs of hands to prepare. For example, you may not want to order anything that's stuffed, wrapped in puff pastry, or baked in parchment. Elaborate vegetable garnishes and sauces painted on plates fall into the same category.

Product Shelf Life

Since food functions don't always run on time, it makes sense to order items that will hold up well if service is delayed. Foods that will remain moist and flavorful despite service delays include chicken, filet mignon, medallions of beef, roasted potatoes, rice, green beans, and steamed carrots. Items that won't hold up as well include Eggs Benedict, any food served en croute, and carved beef items.

Traffic Flow

Some foods hold up well but can cause major traffic flow headaches. Deli buffets for large groups, for example, are notorious for becoming jammed up as attendees attempt to create the perfect sandwich. An alternative is to serve pre-made sandwiches cut in half so that people can still have a choice, but the lines move faster. Remember that the more food choices offered on a buffet, the slower the line will move.

Repetition

When planning menus for a multi-day meeting, be sure to pay attention to what is being served at other events held during your convention such as spouse tours, exhibitor-sponsored functions, and hospitality suites. You wouldn't want your guests to have cheesecake at an exhibitor-sponsored function, again on a spouse tour, and then again at the final-night dinner. Similarly, it's important to avoid repetition within any given meal... as in sautéed carrots, carrot and raisin salad, and carrot cake.

Sometimes, however, repetition can be good. If you have one memorable event each year — the gala awards dinner, for example — attendees may expect the same (filet mignon). Then again, they may want something different each year

(chocolate dessert one year, crème brûlée the next). That's why it's so critical to know your group.

Political Sensitivities

While it's fairly obvious that you wouldn't serve Pepsi at a Coca-Cola convention, the licensing agreements for companies like Burger King require that certain drink products be served at their events. Similarly, grapes should never be served to union groups because of union-backed boycotts. It's your responsibility as the meeting planner to find out about all of the subsidiaries, licensing issues, and political sensitivities of your organization and plan accordingly.

Regional/House Specialties

More often than not, attendees appreciate the opportunity to sample some of the signature dishes of the destination. That might mean gumbo in New Orleans, deep-dish pizza in Chicago, or cheese steaks in Philadelphia. Individual properties also may have a standout specialty of the house that you wouldn't want to miss. The sticky buns served at Marriott's Camelback Inn in Scottsdale, for example, are always the first item to disappear from a continental breakfast buffet — no matter how health conscious a group is.

Menu Balance

The appetite is stimulated by all of the senses, so it's important to try to balance flavors (sweet, tart, salty, sour, bland), colors (aim for contrast), textures (crispy, chewy, soft, firm), shapes and sizes (flat, round, long, short, shredded, chopped), temperatures (hot soup, cold salad, salad entrée, warm dessert) and preparation methods (sautéed, grilled, broiled, roasted, steamed).

Variety

There are many easy ways to vary meals so that delegates don't have the same experience over and over during the course of the convention.

Style of service. Think beyond the traditional American-style plated meal. Other options include French service, Russian service, buffet, family-style, cafeteria-style, action stations, preset courses, box lunches, and butler-passed hors d'oeuvres.

Entrée selection. Consider dual entrées (beef and shrimp), salad entrées (chicken Caesar), sandwiches, and wraps in addition to the usual beef, chicken, fish, and pasta.

Vegetables and starches. Potatoes can be fried, baked, boiled, roasted, mashed, or twice-baked. Choices for rice include white, brown, wild, long-grain, pilaf, risotto, jasmine, and basmati. Pasta comes in many shapes and sizes — from orzo to penne to fettuccini. Polenta is yet another

Safe Bets

- American men prefer beef by a wide margin.
- American women prefer lighter items such as grilled fish or broiled chicken and a variety of salads.
- Salmon is the most popular fish, followed by swordfish, although Chilean sea bass is gaining.
- Shrimp is the most popular seafood entrée, followed by lobster.
- Italian is the most popular ethnic cuisine, followed by Mexican, although Asian is gaining.
- Broccoli is the favorite vegetable.
- Caesar salad is by far the most popular salad.
- Cheesecake is the most popular dessert.
- Shrimp is the most popular hors d'oeuvre.

* The above statements are generalities and may not apply to your particular group.

option. As far as vegetables are concerned, find out what the chef's selection is and make sure she doesn't repeat it during your stay.

Beverages. In addition to the standard coffee, tea and soft drinks, you can serve lemonade, iced tea, or bottled water. At receptions, think about drinks with local flair such as margaritas, microbrews, mai tais, and hurricanes.

Coffee breaks and continental breakfasts. Each day, vary the breads (whole wheat, whole grain, sourdough, muffins, cornbread, sweet breads), juices (orange, grapefruit, apple, cranberry), and fruit (whole fruit, slices, cubes, kebabs). It's also a good idea to upgrade to a breakfast sandwich one day.

When it's time to sit down with the catering manager and actually plan the menus, start with your most important — and probably most expensive — events first, such as the opening reception, closing dinner, or awards luncheon. If you decide to do a Tex-Mex welcome reception, that eliminates Tex-Mex for lunch. If you want to do a four-course final dinner with a salmon entrée, that eliminates fish for lunch.

It's a balancing act — one that you'll hopefully find is relatively easy to master by following these guidelines.

Karen Watson is director of account planning at Conferon, Inc. in Austin, Texas. Additional information for this article was obtained from Hotel Catering: A Handbook for Sales and Operations, co-authored by Patti Shock.

Controlling Your Reception

Receptions can be among the most fun events to plan ... and attend. But they're certainly not much fun — for you or your delegates — when the hors d'oeuvres disappear in 20 minutes. Regardless of whether you're planning an elaborate themed reception or a simple cocktail party, considering the following factors will help you determine how much food to order and how to maximize the quantity of food you can afford.

1. Your audience. The more accustomed people are to hors d'oeuvres, the fewer they're likely to consume. Doctors, lawyers, and bankers, for example, typically underconsume hors d'oeuvres because they attend receptions, banquets, and other elegant social events on a regular basis. So you can order less food and still have plenty left over.

Conversely, people who rarely attend cocktail parties, dinners, and other social functions tend to overconsume hors d'oeuvres. For such groups, proper planning is essential. Without appropriate guarantees, setups, and controls, even the most generous supply of hors d'oeuvres can be depleted in 20 minutes.

2. Method of service. When food is displayed on a buffet table so that guests can help themselves, they will likely eat much more than if the food was passed butler-style. Passing hors d'oeuvres also gives you the ability to control the pace of service. You can stagger service by sending out waiters with trays every 15 minutes, for example, instead of bringing all the food out at one time. And if you serve only one type of hors d'oeuvre per tray, people will usually limit themselves while waiting for a different type to be passed.

3. Buffet setup. The physical setup of buffets can make access to food easy or difficult, which can control, limit, or extend the length of time that your food lasts. (See accompanying diagrams.) With 360-degree access to food, guests may consume eight to 10 hors d'oeuvres each. With 180-degree access to food, however, the figure drops to six to eight pieces per person. Obviously, the more access, the greater the consumption.

4. Plate size. The size of the plates used on a buffet table also impacts consumption. Bread and butter plates make it difficult to pile on the food. (Granted, nothing is impossible

and determined individuals can always find a way to recreate the Leaning Tower of Pisa on their plate.) Salad plates, the next size larger, are the type most commonly used for receptions. Dinner plates should be used only if the food items being served constitute dinner; anything else will look skimpy on such a big plate.

If your budget is extremely limited, you can eliminate plates entirely and use napkins only, which really makes it difficult for attendees to overeat. This strategy also can create a less-than-pleasant atmosphere, however, and guests may end up asking the waitstaff why there are no plates on the buffet. As a result, plates should only be eliminated in cases of very restricted funds and insufficient quantities of food.

5. Types of food. Receptions are like Sunday brunch in that many people like to try one of everything. So, for a 500-person reception, it makes more sense to order 500 pieces each of four different types of hors d'oeuvres than 250 pieces each of six different types. Offering larger quantities of fewer kinds of hors d'oeuvres will help you feed more guests and ultimately maximize your reception dollars. You can always supplement the menu with less expensive foods such as cheese and crackers, chips and dip, and fruits and vegetables.

6. Distractions. Consumption also drops when delegates are distracted by music, entertainment, dancing, or slide shows. If they're on the dance floor or entranced by the entertainment, they're less likely to concentrate on the food.

7. Tables and chairs. The availability of tables and chairs encourages people to sit and eat rather than mix and mingle. The result? Increased consumption. Chairs for 25 percent to 30 percent of attendees, placed in groups along the

perimeter of the room, is usually sufficient.

8. *Time of the event.* If the reception is scheduled for 5 p.m. or 6 p.m., most people will not assume that it is intended to take the place of dinner. If it's scheduled for 7 p.m. or 8 p.m., however, most people will consider it to be dinner and consequently eat more.

9. *Purpose of the event.* When the purpose of the reception is to network (which means not providing much/any seating or too many distractions), consumption won't be high because eating is not the primary focus for attendees.

10. *Location of the event.* If the function is off site, everyone may not attend. And if transportation to an off-site event isn't provided, attendance drops even further. Therefore, you can reduce the number of hors d'oeuvres that you order. If the reception is held outside the meeting room, on the other hand, most delegates will attend.

Armed with this information, you should now feel confident that you can control your reception ... instead of letting your reception control you.

— Karen Watson

How Much Should I Order?*

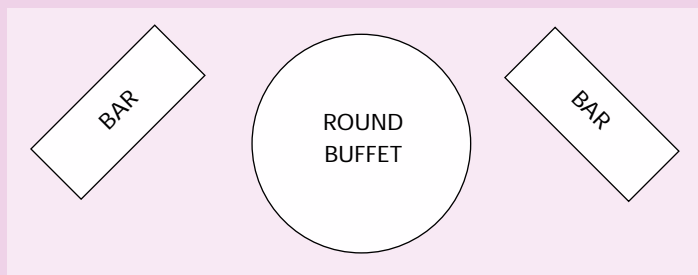
Dry snacks	1 ounce per person
Anchor foods (cheese, vegetables, fruits)	enough for 1/3 of attendees
Action stations (carving station, pasta station)	enough for 1/2 to 2/3 of attendees
Passed hors d'oeuvres	1 of each for all attendees
Dessert and coffee	enough for 1/3 to 1/2 of attendees

* when budget is an issue and the reception is replacing dinner

Reception Buffet Setup Options

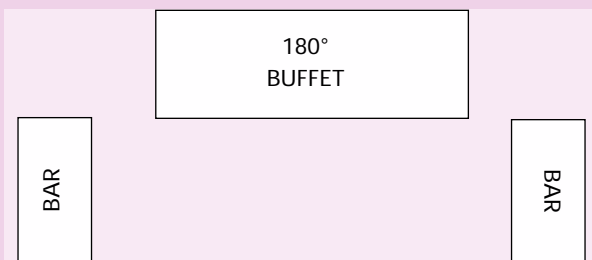
Round Buffet

If you're using this buffet for hors d'oeuvres, it has no beginning and no end for lines to form naturally, so it actually helps limit consumption. This type of buffet setup, used as more of an elaborate display with height (i.e., fruit, cheeses, or vegetables), is an attractive and elegant addition to a reception.



180° Buffet

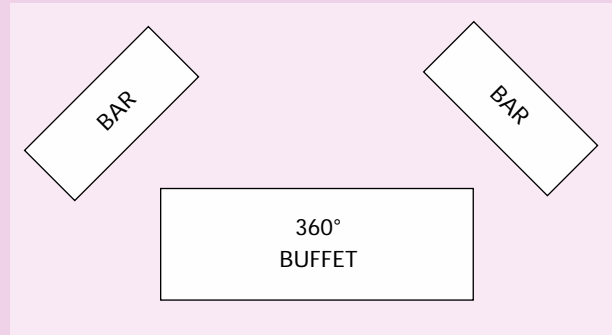
Buffets with only 180° access are useful in limiting or minimizing consumption. If a budget is limited or insufficient for comfortable/unlimited hors d'oeuvres, then this type of buffet setup can help the food last for a longer period due to reduced access.



Food access = 7-8 pieces per person with plates and 5 pieces per person without plates (napkins only).

360° Buffet

This buffet provides convenient and fairly easy access to food, thereby increasing consumption.



Food access = 8-10 pieces per person with plates and 6-8 pieces per person without plates (napkins only).

Planning Beverage Breaks

By Karla Bauman, CMP

It's time for that unnerving task of planning your coffee breaks. How much coffee should you order? How many stations do you need? How should the stations be arranged and managed? These are just a few of the questions that have popped into every meeting planner's mind regarding this necessary task.

Over the years, Conferon has developed a number of rules and procedures that have proven to be very successful in planning beverage breaks for new meetings with no consumption history as well as repeat meetings with a lot of history.

First, there are some assumptions:

- The breaks are a.m. and p.m.
- 90 percent of a.m. attendees drink hot beverages.
- 60 percent of p.m. attendees drink cold beverages.
- No other drinks are being offered during the breaks (i.e. juices or lemonade).
- Outdoor breaks increase cold drink consumption by 10 percent and decrease hot drink consumption by 10 percent.
- Coffee can be purchased by the gallon or half-gallon.
- There are 20 cups per gallon (15 cups per gallon for mugs).
- Brewed decaf (with signage) is always ordered.
- Soft drinks are always ordered on a consumption basis (meaning you only pay for what is consumed).
- The hotel will provide signage specifying that the break is for your group.

How Much Should You Order?

Conferon has created several formulas (see charts A-C) to help you determine the amounts of beverages needed depending on the demographics of your group and the time of day.

First, locate the percentage associated with the makeup of your group — all male, all female, or 50/50. Then multiply that percentage by your overall attendance. Divide the resulting number by 20 (six-ounce cups per gallon) to determine the number of gallons needed. Round each partial gallon up to the next highest half-gallon.

For example, for a morning break at a conference with 500 male attendees, the formula should be calculated as follows:

Regular = 60% x 500 = 300 cups = 15 gallons

Decaf = 20% x 500 = 100 cups = 5 gallons

Tea = 10% x 500 = 50 cups = 2.5 gallons

Soda = 25% x 500 = 125 sodas

One important variable that these formulas don't take into consideration is your group's individual consumption rate. For this reason, we recommend using them to calculate quantities for the first day's breaks and then adjusting the numbers as needed. As you collect consumption history from year to year, your initial order should become more and more accurate.

What should you do if the amount of beverages you need to order, according to these formulas, is beyond your budget? Keep in mind that almost all regular coffee drinkers will drink decaf if regular is gone, but very few decaf coffee drinkers will drink regular if decaf is gone. So if you need to reduce quantities, reduce the amount of regular coffee ordered. Another way to keep beverage breaks within your budget is to serve hot beverages in the morning and cold beverages in the afternoon, rather than have both options available in the morning and afternoon.

Food Note

Unless your beverage break budget is unusually generous, it makes sense to serve food items that can be ordered on a consumption basis such as whole fruit, packaged cookies, bags of peanuts, granola bars, and candy bars.

A reasonable rule is to order enough food items for 75 percent of the group on the first day and then adjust the numbers as needed for the remainder of the meeting. Also, don't forget to inventory the food items in and out.

What Goes Where?

Now that you know how to determine the quantities of beverages you need, the next step is to figure out how the beverage stations should be arranged. How many times have you walked up to a coffee station only to discover that the cups are at one end of the table, the coffee at the opposite end, and the milk and sugar in the middle? Such a setup forces anyone adding condiments to their coffee to back-track and disrupt the flow of traffic.

To avoid these problems, and many others, follow these guidelines:

- Set up one beverage station for every 75 to 100 guests.
- Set up separate soft drink stations for groups of 100 or more.
- Spread out stations and place them away from meeting room doors so that bottlenecking is kept to a minimum.
- In large break areas, open stations farthest from the meeting room doors first.
- Arrange coffee stations for quick service, placing the coffee cups at the end of the table closest to the meeting room doors, followed by regular coffee, decaf, tea bags, hot water for tea, spoons, and a receptacle for used tea bags. (Be sure to identify each hot beverage with a sign.) Set condiments (cream, sugar, honey, and/or lemon) at the end of the station. For large groups, set up a separate condiment table approximately four feet past each coffee station to allow attendees to move through the line quickly.
- For soft drink service, place the glasses at the end of the table closest to the meeting room doors, followed by ice (with at least one scoop), soft drinks, and a container or space for empty cans or bottles at the end of the station. It's also a good idea to store extra soft drinks and glasses under the station so that your replenishment, if needed, does not have to be carried through a crowd.

How to Avoid Surprises

Have you ever gotten your final bill from a hotel or convention center and thought, "I don't remember serving that much coffee" or "Wow — we went through a lot of sodas!" Easy ways to minimize final bill surprises include communicating your replenishment requirements ("reorder only upon approval of authorized signature") and inventorying sodas in and out (meaning counting the sodas prior to each break and after each break). Here's how to conduct a soda inventory:

Soda Inventory — In

- Always inventory in at the time of setup and always do it with a banquet person present.
- Initial her count or have her initial yours.
- Remember that the hotel staff (not you) is responsible for preventing other

groups from dipping into your break. If another group breaks early, have a banquet person guard your break.

- Never sign a bill until after the break.

Soda Inventory — Out

- Inventory as soon as the break is over or else you could lose sodas to other groups.
- Always inventory out with a banquet person present and have him or her sign your final count (or you sign the banquet check).
- If sodas are taken by your group while the inventory is in progress (even if it's from one of the stations that has already been inventoried out), always give the property credit.
- Once the inventory is done, leave the area ... the sodas are no longer your responsibility.

Now that you have the tools to properly purchase, arrange, and manage your beverage breaks, you can move on to the next task on your list.

Karla Bauman is an associate planner with Conferon, Inc.

CHART A — AM BREAK

Drinks		All Male	All Female	50/50
Regular	Attendance	x 60%	x 50%	x 55%
Decaf	Attendance	x 20%	x 25%	x 25%
Tea	Attendance	x 10%	x 15%	x 10%
Soda	Attendance	x 25%	x 25%	x 25%

CHART B — PM BREAK

Drinks		All Male	All Female	50/50
Regular	Attendance	x 35%	x 30%	x 35%
Decaf	Attendance	x 20%	x 20%	x 20%
Tea	Attendance	x 10%	x 15%	x 10%
Soda	Attendance	x 70%	x 70%	x 70%

CHART C — AM BREAK/ALL HOT DRINKS

Drinks		All Male	All Female	50/50
Regular	Attendance	x 70%	x 55%	x 65%
Decaf	Attendance	x 25%	x 30%	x 30%
Tea	Attendance	x 10%	x 20%	x 10%

How to Cut Liquor Costs

By Jim Harmon

While the overall consumption of liquor at meetings has shown signs of decreasing, cocktail receptions still remain an area where major dollars can be saved. Consider the fact that the gross profit on liquor at a cocktail function can be as high as 65 percent, making liquor a bigger profit maker than food. Yet, it's possible to save anywhere from 30 percent to 40 percent on hosted beverage functions simply by taking control of the event.

Choosing a Liquor Plan

By the bottle, the drink, or the person ... what's the best way to buy liquor? Let's take a close look at each of the plans.

Per person/unlimited consumption plan. For an agreed-upon time frame, usually an hour, the hotel provides all the liquor and you pay one price regardless of actual consumption. The only advantage of purchasing liquor on a per person or unlimited consumption basis is that you know in advance what the damage will be at the end of the evening. It's generally the most expensive way to pay for a hosted bar. Here's why.

When you purchase liquor on an unlimited consumption basis, the hotel sets a price that takes into account the worst-case scenario. So unless the majority of your attendees are heavy drinkers, you'll end up spending more than if you had purchased it by the bottle or by the drink.

Per drink plan. The hotel charges a set price, such as \$4.75, for each alcoholic drink. After the event, the hotel measures what was actually consumed and bills you for all of those drinks at the \$4.75 price.

Per bottle plan. The hotel establishes the cost of each full bottle of liquor, and you pay for every bottle that's opened. For example, if the bottle price is \$90 and your group consumes 2-1/2 bottles of liquor, you would pay for all three opened bottles.

When you consider the likelihood that on average the remaining opened bottles at each bar will be half full at the end of the evening, and that under the per bottle plan you will be paying for those partials, the advantages of buying

liquor by the bottle diminish. This plan usually makes no sense for small one-night-only events. If you have more than one reception, however, you can carry the partials over to another function, which limits any extra liquor you're required to purchase. Some hotels also may agree to "marry" the partials and give you a credit for full bottles. This would limit the partial bottles that remain after your function and make this plan a sure winner.

To determine your anticipated cost under the bottle plan, first determine the estimated number of drinks that will be consumed in a properly monitored and controlled pour bar. Assuming an average of 2.5 drinks per person, multiply 2.5 by the number of attendees and divide by 27 (the number of 1-1/4-ounce drinks in a bottle). The resulting figure is the number of full bottles that will be consumed.

Next, to estimate the number of partial bottles you'll be paying for, multiply the types of liquor offered (gin, vodka, scotch, rum, or others) by the number of bars at the recep-

tion and divide the resulting number by two since you'll average one half-full bottle of each type of liquor per bar.

How do you pick the best plan? Consider the following example for a group of 200 men averaging 2.5 drinks per

person when using inventory and pouring controls.

Per Drink Plan — \$4.75 per drink x 2.5 drinks x 200 people = **\$2,375 total cost**

Bottle Plan — \$90 per bottle x 18.5 bottles (200 people x 2.5 drinks ÷ 27 drinks per bottle) = \$1,665
6 bottles (12 partial bottles x one-half bottle) x \$90 per

Number of Drinks Per Bottle

Liquor	Ounces	No. 1-oz. Drinks	No. 1.25-oz. Drinks
750 ml	25.3	25	20
Liter	33.8	33	27
Wine	Ounces	No. 5-oz. Glasses	No. 5.5-oz. Glasses
750 ml	25.3	5	4.6
Liter	33.8	6.7	6.1
Magnum	51.2	10.2	9.3

bottle = \$540

\$1,665 + \$540 = **\$2,205 total cost**

Unlimited Consumption Plan — \$14 per person x 200 people = **\$2,800 total cost**

As you can see, the bottle plan offers the lowest price in this example. Not all hotels offer the bottle plan, but all offer the per drink plan. The per drink plan is the plan that most knowledgeable planners use to keep a lid on costs.

Inventory the Bars

Inventorying all bars plays an essential role in determining how much liquor was actually consumed at the reception. An “inventory in” should take place once the bars are set up in the function room (usually 30 to 45 minutes before the event begins). To inventory in, count the number of bottles of each type of liquor and make sure that all of the seals on the bottles are uncracked. Write down the figures on an inventory sheet and ask the bartender to initial it.

Instruct the bartenders:

- Not to discard any empty liquor or wine bottles.
- Not to use empties as water bottles (so they don't get confused with the actual liquor you're paying for).
- Not to give out any liquor or wine by the bottle.
- That no additional bottles can be brought to the bar (in case you run out) except through you so that you can keep track of what is at each bar.

Similarly, an “inventory out” should be conducted in the same room where the cocktail reception is held (if possible).

To inventory out, check under the bar and on the table behind the bar for extra empties. Then recount the number of bottles of each type of liquor, noting how many full bottles were used and how many will be returned to the hotel. For partial bottles, estimate the amount consumed to the nearest tenth. Write down the figures on the inventory sheet and ask the bartender to initial it.

Control the Pour

Explain to the bartenders that they are not allowed to free pour. Require all bartenders to use jiggers (one-ounce or 1-1/4 ounce, depending on the demographics of your group) or provide your own pour tops and demonstrate how to use them. (Posi-Pours, which control the amount of liquor poured, are available in one-ounce, 1-1/4-ounce sizes, and six other sizes from Magnuson Industries, (815) 229-2970.)

If you're using the bottle plan, you can further reduce your liquor bill by “marrying” the bars before the function ends. (We recommend one hosted bar for every 75 guests.) If you have four bars, for example, close one station 15 minutes before the reception ends. Then take the partials to bar number one and gradually close the party bar by bar. This strategy enables the bartenders to use partials before opening any more new bottles, thereby reducing the number of opened bottles that you have to pay for ... and gives attendees the message that the party is coming to an end.

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Determining Actual Consumption

Many variables determine how much liquor will be consumed per person per hour at a cocktail reception. The chart on this page shows averages based on several of those variables. But it's important to keep these points in mind as well:

Average per person consumption will be less if...

- the event is on the evening of the major arrival day.
- the event is before 5 p.m.
- there are hors d'oeuvres served. (It's hard to hold a drink and eat hors d'oeuvres off a plate at the same time.)
- the event is after 8 p.m.
- there are activities in the reception area.

- the event is on the recreation day and follows the conclusion of the activities by two or more hours.
 - there is a cash bar.
 - the group is predominately female.
- Average per person consumption will increase if:*
- the event is on the final night of the meeting.
 - the event is scheduled between

6 p.m. and 7:30 p.m.

- the event is outdoors in a warm climate.
- the event is held during the Super Bowl or any other major sports event where there is a large video screen in use.
- dry (salted) snacks are the only type offered.
- there is a hosted bar.
- the group is predominantly male.

Average Drink Consumption*

Demographics of Group	Using inventory and Posi-Pour system	Using inventory and jigger pour	Using no controls
Predominantly male	2.2	2.7	3 – 3.6
50% male/ 50% female	1.8	2.4	2.8 – 3.3
Predominantly female	1.3	1.9	2.4 – 2.7

* per person, for a one-hour reception

Winning the Guarantee Game

When you consider the number of variables that can influence attendance at a meeting — appeal of the destination, program content, type of speakers and entertainment, number of competing events — you might be tempted to conclude that establishing guarantees for food and beverage functions is a guessing game. In fact, it's more a matter of statistical analysis — a thorough, competent analysis of historical data as well as current conditions.

When analyzing the history of your meeting, examine patterns of pre-registrations, local ticket sales, arrival/departure patterns, number of cancellations, number of no-shows, number of attendees (broken down by category — members, exhibitors, spouses), guarantees, excess over guarantees, and the percentage of attendees at a particular meal function to the total number of attendees. And don't limit your analysis to just one year of records. Look back at several years in order to obtain the most accurate picture.

When you have a handle on the statistical history of the meeting, examine how current conditions could affect attendance at meal functions. Consider the following variables:

Location

If the property is in an isolated location, attendance at meal functions will likely be high because delegates don't have anywhere else to go. But if it's located in a lively area, you could lose attendees to local restaurants, shops, museums, theaters, comedy clubs, sports events, and casinos.

If your meeting is in Boston, for example, delegates might go shopping at the mall and pick up something to eat at the food court instead of attending the lunch ... if you give them an hour and a half for lunch. But if you only give them an hour, they might not leave the area because they won't have time to both eat and shop.

Extra Bodies

Remember to consider "extra bodies" such as exhibitors, spouses, speakers, entertainers, and staff. Spouses are usually invited to some meals, but not all. They may not be invited to the lunches, for example, but they might be invited to the opening reception and final-night dinner. Exhibitors also usually aren't invited to all meals. And when they are invit-

ed, they may not attend if the meal is at a time when they're setting up or tearing down.

Local Attendance

If local attendance is high, you may see a drop in attendance at food and beverage functions. Locals may not join you for breakfast, and they may not stay for evening functions because they want to be with their families.

Program Changes

Review any significant changes in programming from year to year to see if the change will somehow affect the attendance at a function. If you schedule a new competing activity during a lunchtime slot, for example, it could potentially lead to a decrease in the number of people present at the lunch. The same concept applies if an exhibitor schedules a demonstration of an important new product during lunch.

Scheduling

If attendees will be staying up late at a reception, theme party, or exhibitor-sponsored event, many may not make it to breakfast the next morning, particularly if it's scheduled for 7:30. And if you schedule lunch for too late in the afternoon at a resort destination, delegates may opt for a round of golf instead.

While you're working on your calculations, keep in mind that guarantees, once given to the hotel, can never be decreased, but they can almost always be increased since it means more money for the hotel. But you have to do it within a reasonable period; Conferon tries not to do it less than 24 hours in advance.

In situations where you have to give guarantees for more than one day, especially when weekends are involved, a very

effective tactic is to moderately undercut the second day's guarantee. The objective is to buy yourself some time to see where attendance at the previous day's function ends up before giving a final guarantee for the next day.

It's important to note, however, that you must first discuss this with the catering manager to make sure he is comfortable with a soft guarantee and also to determine how flexible he can be in terms of increasing the guarantee within 24 hours. Most facilities will work with you if you're open and honest in your communication.

If you need a very large increase at the last minute, and your menu includes special items that the hotel normally doesn't have in stock, you may not be able to serve the same meal to everyone. You may, for example, need to vary the entree and dessert. If such a situation arises, instruct the waiters to serve the alternate items to entire tables in one section of the room — preferably to staff sitting at tables that aren't in the center of the room. It's also important to keep in mind that the hotel may not be able to secure the extra banquet staff to meet your service ratio.

To assure an accurate guarantee for the closing banquet (most likely your most expensive event), establish a banquet ticket exchange. Announce in your registration materials that there will be a ticket exchange and possibly reserved seating for the final banquet. Indicate the hours that attendees will be able to exchange tickets and/or reserve their seats while on site. And set a reservation deadline that is during your convention but still meets the hotel's guarantee policy. (You may want to reopen the registration desk for a short time the day of the function to accommodate last-minute changes.)

While the main benefit of a ticket exchange is cost control, attendees actually prefer the system because they can choose their dinner companions in advance instead of having to stampede into the ballroom as the doors open to reserve a table.

Karen Watson, director of account planning at Conferon, Inc. in Austin, Texas, contributed to this article, which was reprinted from The Meeting Manager's Food & Beverage Guide published by Convene and sponsored by Hyatt Hotels and Resorts.

Doing the Math

Analyzing pre-registration numbers is one way to get a handle on initial guarantees. The following method is used by Conferon.

To use this method, you need at least one year's past history, including what was guaranteed versus what was actually served for each function, plus the pre-registration total for that particular year as of the day the guarantees were determined.

For each function, figure the percentage of pre-registrants that were actually served at the function by dividing the total number of covers served by the pre-registration total.

For example:

The 1999 pre-registration for NAME group was 900 as of the day the guarantees were determined.

Function	No. served	% of pre-registration
Lunch - Day 1	810	90% (810/900)
Lunch - Day 2	720	80% (720/900)

How to use this information to set the guarantees for your current meeting:

- Determine the total number of pre-registrants as of the day the initial guarantees are figured.
- Multiply the pre-registration figure by the above percentages to establish the current year's projected attendance for each function.
- Based upon the hotel's overset policy (usually 3 percent to 5 percent, but many facilities max at 50 overset seats for larger parties), back off the numbers conservatively (somewhere within the overset percentage) to allow for flexibility and eliminate potential waste.

For example:

The 2000 pre-registration for NAME group is 950. The hotel overset is 5 percent. With only one year of history to rely on, we were a bit cautious and established our guarantees based on a 2.5 percent reduction of the projected attendance (half the overset percentage). To come up with the maximum number set, we multiplied the guarantees by the overset percentage — 5 percent.

Function	Projected covers	No. guaranteed / No. set
Lunch - Day 1	855 (90% of 950)	834 (855 -2.5%) / 876(834 +5%)
Lunch - Day 2	760 (80% of 950)	741 (760 -2.5%) / 778(741 +5%)