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Conclusions and developing your skills

- Anticipating trends
- Developing your financial skills further
- Looking after your staff



Introduction

In this chapter we will look at using the information from this book to help you develop further as a manager and consider how to look ahead, not just by forecasting but by predicting trends and so identifying how you can best use this to your advantage.

By improving your own skills as a manager, in the future you will be well equipped to take advantage of all the opportunities available to you. This will include looking at the types of training and education that you can undertake, and other areas that might be useful. Although professional development may not be immediately obvious as a finance topic it's relevant to all of us – and financial management is a key skill for all hospitality managers now.

By the end of this chapter you will be able to:

- Collate the various themes of this book
- Be aware of trends in the industry
- Identify some of the other resources available to help you develop your skills.

Key themes

So, what have you learned from this book?

- The importance of maximising revenue in order to optimise profits or achieve BEP. A combination of control, accurate pricing and marketing is needed, and ratios are invaluable in helping identify areas for action.
- The importance of controlling costs and stocks without affecting customer service – so you need to optimise rather than minimise these. Different types of costs are found in different sectors, and in fact some units or departments have only costs and not revenues. Where there are very tight margins the control of costs is paramount to achieve business objectives – small variances, and small actions (such as the slice of tomato) can make big differences overall. Being able to identify where the differences are by using ratios and standard costing techniques is essential to profitability (or BEP).
- Attitudes of managers are crucial. If you 'lead from the top' and make it clear that wastage and theft are unacceptable then half the battle is won. Most staff are intrinsically honest, but sloppy and/or dishonest leadership can make them careless too. Walking the job ('MBWA') is one of the best ways to identify problems, especially when used in conjunction with ratio analysis.

- ❑ Planning all aspects of the business helps managers in a variety of ways. Forecasting customer levels and use of standard costing techniques allows planning of purchasing and staffing which minimises wastage and hence costs. Planning the control of all areas helps you anticipate potential problems before they occur and the use of spreadsheets is vital in achieving accurate results.
- ❑ Cash and stocks are very desirable and so need strong controls at all stages of the working capital cycle. Forecasting cash requirements is helpful to the business, but nothing beats simple effective systems and a good lock with minimal distribution of keys.
- ❑ Decisions made at unit level impact at higher levels of the organisation. Some management reports are designed for use by managers within their own areas, others for the general manager or owner. If you are part of a larger organisation then your unit report will be amalgamated with others to produce overall company reports. These are then converted into a different structure for publication in an annual report that addresses the needs of the various stakeholders.
- ❑ The customer always comes first.

Anticipating trends

A key to your successful career in the future will be your ability to forecast trends. You may think you are a small fish in a big pond, but hopefully you'll grow into a bigger fish (which may be one reason why you are reading this).

We've been looking at your current level of operation, mostly from a short-term perspective. It's important, though, to also look strategically – a long way ahead. You need to try and anticipate how the business where you work (either now or in the future) will grow, and then whether you will be a part of that. Many of the techniques we've learned can help you because by tracking what has happened you can make some predictions for the future.

For instance, if you see that revenues are growing and the company is buying more businesses, then the chances are that your career will grow too. On the other hand, if the business is struggling then you might want to start considering your next career move. Below are some things to look out for. You should remember that, although these examples don't appear to be directly financial in nature, all activities have a financial impact on the business in one way or another.

- Growth in hospitality and tourism as a whole
- Changes in the national economy which affect visitors from overseas
- Incidents or events that affect tourism (and hence most hospitality businesses) – such as volcanic ash clouds, a terrorist attack or major sporting events. These may be local, national or international.
- Trends in eating out
- Trends in regional and local business, such as new hotels, hospitals, visitor attractions
- Anything happening in your sector
- Anything happening in your company or organisation.

How do you find these out? – by reading (see below), listening, watching, going to places and general participation in the activities of your operation and the industry (and perhaps your professional association too). There also some websites listed at the back of the book.

Developing your financial skills further

Now that you have reviewed what you have learned, what next? Practise!

Hopefully having worked your way through this book you'll have been able to learn new techniques and practise a range of skills. You can use them in the workplace in all sorts of ways to really help you become a better supervisor or manager. It obviously depends on how much financial information is available to you – the attitude of senior management can vary – but by being proactive you'll be able to make progress to a real understanding of the financial relevance of what you do.

Here are some suggestions:

- If you have access to financial statements then ask to see them each month. Look at the actual against budget for both revenues and costs, and see if you can identify what's working well and what isn't. Can you identify why things have happened? If it's good you could do it again, if it isn't so good, can you fix it?
- You could calculate ratios if they're not already done. Is there a relationship between volume and price? If sales have fallen, have costs fallen too? Which costs are fixed, and which are variable?
- Next time something needs pricing, or costing, could you help?
- Compare a budgeted recipe cost (or a staffing cost) to the actual. Are there any variances and, if so, why?
- Do a forecast of customers, and see how it impacts on other areas.