

# 6 Food and Beverage

## Introduction

**M**any club managers would agree that comparing commercial food and beverage operations to private clubs is like comparing apples to oranges. Clubs are uniquely challenged with multiple dining options (much like a hotel or resort) and in the ability to forecast demand, because many members may not make reservations. Additionally, many club food and beverage operations lose money because of high food and labor costs (more will be said about this later). Finally, club dining is reserved for members only, so clubs are serving a limited market. There are other differences, but these are some of the key ones, all of which present unique challenges. According to research by ClubBenchmarking, 75% of food and beverage departments in clubs lose money. This is not necessarily a good or a bad thing – just a function of how food and beverage in clubs is managed. This chapter will explain how they are managed, how they are similar to (and different from) restaurants, and why so many of them lose money or show a deficit. We will revisit these issues but, first, let's confirm how important food and beverage is to a club's livelihood.

Dining has been an important part of clubs (all types) for a very long time. Dining clubs in the US, such as the Wednesday Evening Club (Boston), date from the 1700s. Later, the Thursday Evening Club and the Saturday Club served the same purpose of allowing limited numbers of men to dine together in various restaurants, hotels or even other clubs. While most of these clubs had no permanent home, they served many of the same needs as today's clubs do by providing food, drink, and comradery in a social setting. The differences between then and now are significant, however. A once a week, or once a month, dinner was easily paid for, especially if using someone else's facility. The evening bill was divided up, each member paid their share and that was that. Today, when a club operates its own facility, or facilities, accommodates hundreds or thousands of members, and hires staff to prepare and serve the food, the economies of scale change dramatically. Much of this chapter is focused on how such operations are managed.

## Importance of food and beverage to clubs

**T**o many members, food and beverage offerings in a club are the lifeblood of the club – that is the primary reason to be at the club day in and day out (in addition to socializing with the other members). It has been suggested that food and beverage: (1) helps to attract new members; (2) contributes to member satisfaction; and (3) helps achieve financial objectives (Barrows, 1997). To elaborate, a person’s first exposure to a club may very well be as a guest of a member at a meal or event (which would typically include food). In fact, many clubs host annual Member/Guest golf tournaments and events which go a long way in introducing the club to nonmembers. In instances such as these, food and beverage becomes the face of the club – that is, impressions are made based upon the quality of the experience. If it is positive, it may result in the guest wanting to join the club as a member.

Second, surveys of members consistently indicate that food and beverage is a factor in their overall satisfaction at their clubs. That also speaks to the importance of providing a quality experience day in and day out. Otherwise, it could result in the loss of a member.

Finally, although many food and beverage departments lose money, they generate revenues that are important to club operations – and are often the second greatest source of revenues (after dues).



Photo 6.1: The Harvard Club – a dining room. Courtesy of the Harvard Club of Boston

But, in order to attract new members, satisfy current members and generate revenues, food and beverage programmes require a high level of expertise, creativity and attention to detail. When all of these elements are combined, both organizational objectives and members expectations are met.

Members appreciate many aspects of dining at their clubs (as opposed to a local restaurant or at home). These include: not always having to make reservations, being greeted by name at the door, getting their favourite table, being assigned to their favourite server, having a staff member who knows their likes and dislikes, seeing familiar faces in the clubhouse and dining room, being able to order what they want, receiving an alcoholic beverage with a generous pour and not having to tip! Such are the benefits of membership at a private club. But this all comes at a price, as will be discussed.

## Who runs the department?

**L**ike other departments, staffing and authority is largely contingent upon the size of the department. In very small clubs (yacht, city or country), the club manager may oversee day-to-day F & B operations in the club. In larger (country) clubs, the clubhouse manager may have responsibility for all operations in the clubhouse, including F & B. If the club is large enough, there may be a dedicated director of food and beverage. Also, in larger clubs, there will be 'outlet' managers, for individual dining rooms, and other larger satellite operations. There is usually a separate manager for events, discussed below.

## Characteristics of food and beverage operations

**F**or those students who are familiar with restaurants (having owned one, worked in one, or eaten in one), they will note that club food and beverage operations have some similarities with commercial restaurants. On the surface, clubs provide food and drinks (alcoholic and non); table service; banquets and catering; accommodation for special events; and they charge money for such services. Also, like restaurants, they must be responsive to their markets; menus must be developed that will be desirable; they are labour intensive; and place an emphasis on quality.

It is here that the differences begin and end. Unlike restaurants, they provide multiple outlets (similar to hotels and resorts), varying levels of service (which can create challenges), must meet special needs of members and host many special