

# Be our guest case summary

[Business](#)



Be Our Guest: Case Summary Be Our Guest was a case about a catering equipment contracting company. Servicing the Boston Metropolitan area, Be Our Guest started out as a small company that provided waiter services for caterers in 1983. From there, their business grew, and in 1988 they changed their business strategy after successfully providing catering equipment to a 1, 000 person fundraiser at the Boston Garden.

This transformed the company and profits grew to \$1 million in 1991 and later to \$2. 7 million in 1997.

The success of the company was due in part to the prime location of its inner city branch and their position in the market. One of their outlets was in the Roxbury section of Boston which was close to downtown and had quick access to the Massachusetts Turnpike and Interstate 93. This allowed them to cover multiple events in a single trip. They also specialized in providing high quality service rather than bottom end pricing.

With high quality equipment and service they worked to develop a strong relationship with its customers.

This distinguished them from other company's and created a niche customer base. Even though business was great, the industry was very seasonal. The first quarter brought only 10% of Be Our Guests yearly revenues, while the second and fourth quarter each brought 33% of their yearly revenues. To adjust to the personnel need, the firm would bring on 15-20 seasonal employees during peak times. In addition, the seasonality caused many accounts receivable to remain at the end of the year.

The cash from these accounts receivables would not be collected until later in the spring. This caused a problem because business was also slow in the beginning of the year. In order to adapt to this, Be Our Guest took out loans during the beginning of the year to pay first quarter expenses such as paychecks. Overall, business is great, but the seasonality of it makes it difficult to make future projections of business. Be Our Guest does a great job however, and their business strategy has paid off with great profit growth.