

Purchasing and storage department commerce essay



**ASSIGN
BUSTER**

Purchasing refers to a business or organization attempting to acquiring goods or services to accomplish the goals of its enterprise. Though there are several organizations that attempt to set standards in the purchasing process, processes can vary greatly between organizations. Typically the word “ purchasing” is not used interchangeably with the word “ procurement”, since procurement typically includes Expediting, Supplier Quality, and Traffic and Logistics (T&L) in addition to Purchasing.

What is storing?

Basically, storing is when staying in a hotel during vacation, it’s likely you’ll have some valuable items and documents on hand like jewelry or passports. It’s important to have a safe place to store these items when staying overnight at a hotel, and understanding the different types of storage options different hotels are likely to offer will help you decide how to store your valuables.

In Restaurant sector, storing refers to preserving and keeping stock of food and beverages in order to use them when needed.

PURCHASING

Simplifying purchase

While technology is enabling all departments related to purchase to appear on a common platform, there are a few issues where technology fails to offer any solution, thereby calling the need for human intervention with sound judgment.

While operating a hotel is supposed to be a difficult task, managing the entire procurement process (for such a unit) is even more so. The purchase department handles the task of procurement yet all departments play a crucial role in it. That said technology ensures that inter-departmental activities takes place flawlessly. Although purchase has now become dependent on technology for managing inventories and order status, it was originally a manual job. From selection of products to deciding on a vendor, this department rests on the human ability of judgment. However technology is now making the processes related to other departments easier by streamlining all activities.

Bulk buying

Purchase is about procuring products in large quantities for the stores catering to various department needs. In this, various operational tools bridge the relationship between the purchase department and stores, fulfilling the requisites of all departments.

If we trace back to earlier times, the process of procuring was done manually where storekeepers would spend time contacting suppliers and then placing the orders after checking and re-checking the inventories placed by various departments for duplication of orders and so on. There existed a Bin card system that took stock manually and preparing all the relevant reports through various stock registers, etc. Das adds, “ Today, technology is helping us to indent, maintain, analyze and control the total inventory with greater ease and accuracy. The systems are smart as well as user-friendly to provide you the alerts and prior intimation about the PAR stock and expiry date, etc.”

Simplifying purchase order

Technology might be one crucial aspect that is vital for procurement today but the genesis of the software systems used for it have been a perfect replica of the tasks earlier done manually i. e. the purchase order. Das simplifies this and says, “ There are a lot of different aspects which are kept in mind while preparing a purchase order and its frequency. The preparation of the purchase order is proportionately related to the consumption pattern and its requirement.”

Technology still has some drawbacks in the decision making process. It helps in collating information but that doesn't help in making the final decision. Kailash Bahuguna, purchase manager at The Metropolitan Hotel New Delhi, is of the opinion that technology has not invaded this area of operation totally; a lot of tasks are human-driven and would remain so in future as well. “ The important job of this department would always remain the negotiation that we do with vendors, reviewing of content for purchasing, etc. Technology can only assist,” he adds.

While the preference for vendors could be gauged with data like withstanding capacity, rate comparison, stipulated delivery time and extended credit facility, the final decision is made after identifying the suppliers' reputation and relationship the hotel shares with it, which are subjective issues and purchase committee makes a final decision. Das says, “ Frequent market surveys are conducted by the standing purchase committee to assess the current prevailing rate and subsequently used for fruitful negotiations.”

Technology runs parallel to all tasks to enable swift decisions thereby assisting the entire process. Vendor and inventory management play an important role in preparing the purchase order by various departments (in terms of substitute and new vendors depending on the product demand and urgency), which is notified to purchase for requisition. Das says, “ In hotels, the purchase officer is in close coordination with other department heads for timely procurement, maximum utilization of materials, seasonal variance in material procurement, and combating the non-availability of materials in unprecedented conditions.”

Challenges to overcome

The challenges vary from hotel to hotel. The structure though remains the same; one needs to take various factors into consideration like geographic location, size of the hotel, operation period, etc. During the initial days of operations of a new property, the challenges are distinctively unique - identifying the possible consumption and requirement needs meticulous calculation - as there are no past records to look at.

A property that is in operation for some years should try and bring all departments (with reference to purchase) on a single platform for smooth information flow. Bahuguna says it enables a sound way to justify codification and stacking methods helping in the inventory management.”

STORING

Any type of foodservice facility begins its food preparation process at the back door, by receiving and storing the raw materials. Food, beverages,

and supplies must all be accounted for and properly stored until they're needed. There are two basic types of storage: dry and refrigerated.

Dry storage is for canned goods, paper products, and anything else that doesn't need to be kept cold. Refrigerated storage is for items that must be kept chilled or frozen until used.

In this article, you'll learn more about them both and about the types of equipment needed to outfit your receiving and storage areas for efficiency, safety, and conservation of space. The list includes:

Scales

Pallets

Carts

Shelves

We'll also explain how refrigeration systems work in refrigerators, coolers, freezers, ice makers, and specialty systems like beer kegs and soft-serve machines, and discuss how to select them for your operation.

RECEIVING AND DRY STORAGE

You'd be amazed at how many deliveries arrive at the back door or loading dock of the average restaurant in a week. And they all have one thing in common: They must all be checked for accuracy by someone on your staff.

Many owners and chefs go a step further, personally inspecting the quality of

fresh items such as produce and seafood and rejecting on the spot those that do not meet their standards or expectations.

Having a well-organized receiving area, setting certain hours for deliveries, and designating employees who are responsible for accepting and storing incoming stock will save you time and money. Illustration 10-1 shows some of the smartest outdoor dock area features.

Merchandise goes from the dock area into the receiving area, shown in Illustration 10-2. The well-equipped receiving area will contain these basic items:

Scales

Pallets

Carts and trucks

Shelves

MEASURES TO BE TAKEN CARE OF

Storerooms should be well ventilated, free of dampness and free of pests and bugs.

Bulk products such as sugar and flour, can be emptied into tightly covered, properly labeled approved containers to prevent outside contamination.

Storage containers must have openings large enough to allow easy cleaning between uses.

Food cannot be stored in locker rooms, rest rooms, dressing rooms, garbage rooms, mechanical rooms, under sewer lines that are not shielded to intercept potential drips, under leaking water lines (including leaking automatic fire sprinkler heads) under Lines on which water has condensed, or under open stairwells.

Products must be stored on shelves or platforms 6 inches from the floor to ensure adequate cleaning of the storeroom floor.

REFRIGERATION

All food must be labeled and dated. Arrange containers apart from one another in a refrigerator to ensure proper cooling. This allows air to circulate around containers. Cover all food while in storage. Covering keeps food from drying out and minimizes the possibility of contamination.

In walk-in coolers, store all food on shelves. The food should be kept at least 6 inches off of the floor. The floor needs to be swept and mopped.

Store poultry and meats on the bottom shelves to prevent meat from leaking onto other foods.

Use foods on a first in, first out basis (FIFO). Refrigerated, ready-to-eat, potentially hazardous food prepared and held for more than 24 hours in a facility must be marked with the date of preparation. It must be discarded if not sold or served within ten calendar days.

RECEIVING PROCEDURES IN THE RESTAURANT

Receiving food and supplies from your vendors requires more than simply taking boxes off a delivery truck. Restaurant owners and managers should have procedures in place for any employee who handles deliveries. Consider these suggestions for ways to manage deliveries and other receiving procedures in your restaurant.

VERIFICATION

Whenever a restaurant receives an order, the manager or responsible employee should “check in the order,” or verify that the correct amount of products were received as well as checking the quality of the incoming product.

Follow these steps:

Verify the quantity

Be sure that every product you ordered is accounted for in the delivery. An easy way to do this is to compare your order guide to your invoice and manually check off all items as you look through the delivery. Be sure that product weights and counts are correct.

Ensure quality

Be sure the items are of good quality. All refrigerated or frozen items should arrive at the proper temperature, and products should show no signs or damage. However, for one reason or another, food products may arrive unusable. When product is received in poor condition, such as moldy or

rotten, the manager should refuse the order if possible, and contact the vendor immediately to schedule another delivery.

Check the cost

Make sure the total cost on the invoice is correct. The money you spend on food orders and other supplies usually makes up a large part of your restaurant expenses, and recording the appropriate amount in your financial records is very important to your overall profits and losses.

KEEP TRACK OF ALL PURCHASES

Keeping track of all purchase invoices will help you stay organized and aware of your spending. When you receive your order, record the total cost the order invoice on your restaurant profit and loss statement (P&L). You can easily log this data in most accounting software, or in a P&L spreadsheet on the back office computer. This will also help you calculate your inventory and usage, since you add the newly purchased goods to those you have on hand to determine your total available inventory.

Date and Store Supplies

Once you have checked your food for quality and recorded the cost and inventory amount in your records, you are ready to put away your food and supplies. This should be done immediately to ensure that food remains at safe temperatures and to keep an organized kitchen. For perishable foods, this involves dating and appropriately storing the products on your restaurant storage and shelving units.

How to Keep Your Customers Healthy

There are laws and systems that have been established to help ensure that the food served in restaurants is safe. Bacteria grow very easily if given the chance.

The local Health Department will send out inspectors to make sure that the chefs and servers are following the proper guidelines. Inspectors will issue fines for minor violations and can shut you down for major violations.

Working with Inspectors from The Local Health Department

The Health Department will work with you to establish the correct systems and practices. The inspectors are often feared and dreaded (as they usually show up unannounced at the worst possible time), but most of the regulations have important ramifications for keeping food clean and safe.

A system called HACCP - Hazard Analysis Critical Control Point consists of seven important steps to ensure food safety. This system was actually first designed to maintain food safety for NASA astronauts so you know this stuff works! The three main elements of the system are: food microbiology, quality control and risk assessment.

The 7 steps of HACCP are as follows

Assess hazards and potential risks.

Identify critical control points including cross contamination, cooking, cooling, hygiene.

Set up procedures to make sure safety is maintained at all critical control points.

Monitor critical control points and use the correct signs, tools, and training materials to ensure this.

Take corrective actions as soon as a critical control point is in jeopardy or when any violations are pointed out by the Health Department.

Set up a record-keeping system to log all of your flowcharts and temperature checks

Keep up with the system to make sure it is working.

Each food item served in your restaurant will need its own flow chart, which looks at every step of the food's journey from being received into the restaurant from a purveyor to being served to a customer. The steps in between include storage, preparation, holding/display, service, cooling, storage of leftovers and reheating techniques. The Executive Chef will be responsible for these flow charts.

Avoiding Food Contamination

There are many safety procedures to follow when preparing food in your restaurant. One of the most important is to thaw frozen foods properly. You can cook food from its frozen state or by refrigerating it at under 38 degrees F. You may also thaw under running water at a temperature of 70 degrees F. or below for up to two hours. A microwave is another acceptable way to thaw foods, but only if the entire cooking period will be in the microwave or the

food will be finished (immediately after microwaving) by another cooking method.

Food items such as meats and poultry must be cooked to the correct internal temperatures. Thermometers are the best way to ensure accuracy of these temps.

Avoid Cross Contamination

Cross contamination is all too common in kitchens today. Be sure to clean and sanitize any equipment used to prepare food between uses and be particularly vigilant when handling a potentially harmful food such as raw poultry, beef or fish.

There is a “ danger zone” of temperature, 40 degrees F. – 140 degrees F., within which food bacteria multiply rapidly and can thrive. The temperature of food should be kept out of this zone as much as possible. The limit for time spent in the danger zone including all aspects of storage, preparation and service is 4 hours.

Food Storage

Storage is another way to protect your food from becoming contaminated or spoiled. There are rules for this area as well. Use the “ first in, first out” (FIFO in accounting) rule meaning that foods should be used in the order they are delivered. For instance, do not use the newest milk first if you still have two gallons that are good from your last delivery. Date goods and place the new behind the old on your storage shelves.

Keep all foods wrapped and clean. Each item in your walk-in refrigerator, freezer and your dry storage should be in a sealed labeled container or package with the contents and date received. Do not take a chance on questionable foods: "When in doubt, throw it out" is a great rule to live when it comes to food safety. Go through your refrigerator unit regularly and get rid of spoiled foods.

The refrigerator temperature must be below 38 degrees F. Items stored include meats, seafood, vegetables and dairy products. Keep a working thermometer in the unit at all times so you will know at a glance if there is a problem. You do not want to lose your entire inventory! Freezers should keep foods at below 0 degrees F. Most foods will not maintain their quality in a freezer so it should be used only as needed. Use fresh products whenever possible. Items in dry storage should be kept between 50 - 70 degrees F with a relative humidity of 50 - 60%.