

# Marketing strategy for a company catering business assignment

[Art & Culture](#)



**ASSIGN  
BUSTER**

GPL RC Mission Statement: Objectives GPL RC believes that to determine a viable strategy for catering it is crucial initially to clearly define the broad objectives and policies at a strategic and operational level and to communicate these clearly to both the Catering Team and the employees as a whole. Some of the questions that require clarification include: To what extent should catering be providing a welfare benefit to the staff? Should catering operate as a service to support the wider needs of the company? Should the financial target for catering be set to recover direct operating costs only, as opposed to total cost recovery or profit generation? Should all facilities remain for the use of Siemens personnel only as opposed to being open to members of the public? To what extent has the balance of using bought in products been assessed against the merits of producing items on site (e. g. sandwiches, fresh vegetables)?

Financial Performance

Consideration of the trading accounts for 2006/7 indicates that GPL RC delivers a sound financial performance.

The overall requirement to break even was achieved with all individual trading outlets returning a gross profit contribution. GPL RC is considered to be fairly well advanced in terms of cost recovery in comparison to many institutions, with a contribution being made towards the recovery of both utility costs and equipment depreciation in addition to direct operating costs. It is to be expected that there would be an element of cross subsidisation between outlets as each provides a differing level of service.

Operating margins are healthy with an overall labour cost of 40% and a cost of sales 34%. This compares fairly well with the industry norm for this type of

refectory where the average would be 50% and 40% respectively. Current Operations Marketing has summarised their view of the current business' positioning in the SWOT analysis below: \*Strengths Weaknesses ???

Reputation for providing good quality food, particularly for functions. ???

High levels of use ??? Experience & knowledge of the business of the of management team ??? Good control of finances Strong management discipline ??? Perception of poor value for money in some areas ??? Variable demand across the day, week & year ??? Lack of adequate management information and function bookings systems ??? Reliance on agency staff ???

Inflexibility of the seating layout in BREHM (Brehmstrasse) ??? A perceived lack of flexibility in the delivered hospitality service. Possible Future Catering Provision (by 2012) A series of clearly identifiable concepts incorporating: noodles, rice and pasta, grilled meats and fish with salads hot snacks including pies, pizzas and jackets imple grab & go sandwiches and snacks

Cafe Bar 4th floor, Building 33 All day service of coffee, pastries, cakes and snacks, hot breakfast rolls, hot snacks to order during the afternoon Grab & Go Coffee High volume Grab & Go sandwiches and snacks, with a premium coffee offer Coffee Bar Ground Floor B52 " Siemensstrasse" Staff Dining Room and Coffee Bar Hot main meals and salads at lunchtime, coffee and light snacks during the day. Space and Capital Cost Requirements

To give an indication of the possible impact of introducing these facilities, the spatial requirements and indicative capital costs have been estimated. The capital cost projections are indicative estimates for the fit out of these areas only and do not include allowances, for example, for light equipment, furniture or associated building works. All costs are exclusive of VAT. A

<https://assignbuster.com/marketing-strategy-for-a-company-catering-business-assignment/>

detailed study by a qualified cost consultant should be undertaken before progressing further. Food Hall\_ (Siemensstrasse)\_

Based on a number of operating assumptions that to meet the forecast peak demand in the Food Hall at lunchtimes, there will be a requirement for approximately 620 seats. The seating nominally designated as being for the Cafe Bar will be utilised to meet this requirement but this seating area will be at a lower density than the remainder of the Food Hall in order to provide a greater degree of comfort. From this seating calculation, the spatial requirements for the refurbished Food Hall and Cafe Bar would be as follows:

??? Food Hall Seating (assuming 520 seats) 620m<sup>2</sup> Cafe Bar Seating  
(assuming 100 seats) 160m<sup>2</sup> ??? Food Hall Servery 180m<sup>2</sup> ??? Cafe Bar  
Servery 30m<sup>2</sup> ??? Kitchen (storage and production) 360m<sup>2</sup> ??? TOTAL

1150m<sup>2</sup> Capital Cost\_ The fit out costs for the Food Hall (Siemensstrasse) and Cafe Bar facilities based on a price per square metre of Euro 1600 to 1800. Thus the cost to fit out the Food Hall and Cafe Bar is projected to be Euro 1, 840, 000 to 2, 070, 000. These estimated costs assume the fit out of a clear space within the building and do not allow for removal of existing equipment and furnishings or associated structural building works.

Food Hall (Erdberg)\_ The spatial allocations for the proposed catering facilities in this Building have already been determined as part of the design process and so the broad estimates of fit-out costs based upon a price per square metre are not provided. Instead, on the basis of the current designs and catering specifications the capital equipment cost are shown as follows:

Cafe Bar 4th floor, Building 33\_ \_In order to meet projected demand, the

Cafe Bar would require approximately 45 seats, equating to a seating area of approximately 70m<sup>2</sup>.

This Cafe would be supported by a storage, production and servery area of approximately 55m<sup>2</sup>, plus an allowance for a hospitality pantry of approximately 15m<sup>2</sup>. Thus the space required to provide this facility would be approximately 140m<sup>2</sup>. The cost to fit-out this space (assuming an area of 140m<sup>2</sup>) would be Euro 180, 000 – 210, 000 excluding VAT. This does not include any allowance for the architectural or building costs associated with the clearance and preparation of the space. Conclusion\* The summary table indicates the potential increases in both sales and overall surplus that could be achieved from the introduction of the new facilities. Although the Food Hall would be less profitable because of the higher labour cost and lower gross profit margin, the other facilities have the potential to generate reasonable levels of sales and a good margin, utilising minimal staff to maximise the overall contribution Next Steps

In conclusion, I have proposed a series of steps that I believe GPL RC should consider following the completion of this strategic report: 1. Agree and publish the overall strategic policy and objectives for catering. 2. Revise the financial objectives and parameters on the basis of the defined strategic policy. 3. Clarify exact design and operational plans for the catering facilities in the “ Siemensstrasse” 4. Prepare an action plan for operational changes to the existing catering service, taking into account the strategic objectives.