

Formal Forecasting

The Management Practice formerly known as “Shot in the Dark Guesswork”

Imagine having a crystal ball that permits the Chef and the Dining Room Manager to know exactly how many customers/guests/members will be coming in for lunch today. The Chef would have a better idea of how much food to have on hand and how many cooks were needed in the kitchen. The Dining Room Manager could schedule servers more effectively to ensure great service without killing her payroll budget.

While there is no such crystal ball, there are indeed tools to help forecast upcoming business levels. The first is benchmarking. The next logical step is to take the wealth of information derived from benchmarking – cover counts, menu items sold, and payroll hours and use it to formally forecast business using a simple spreadsheet form such as the one below that forecasts cover counts or meals served.

Weekly Sales Forecast						Main Dining Room			ABC Club
Week:	24		Dates:	June 8-14		Meal Period:			Lunch
	Historic Average	Last Year	Proj. this Yr	Actual this Yr	Var	Servers Sched	Pay Hrs	Svc Quality 1-10	Comments/Service Issues/Problems
Covers									
Fri	64.3	59	60	64	4	3	12.25	7	Mostly smooth. Bit of a rush at 12:45 when a party of 12 came in w/o reservation. We sold them on limited prie fix menu w/ dessert and beverage included.
Sat	104.7	110	108	102	-6	4	14.75	9	Very smooth orderly flow. Sent one server home at 1:15.
Sun	215.1	198	210	219	9	6	24.75	10	Excellent Sunday Brunch. Adequate servers, good flow of food to buffet.
Mon	CLOSED								
Tue	42.4	45	45	40	-5	2	4.50	4	Kelly called in sick at last moment. Hostess filled in as best as she could. Mrs. Jones unhappy with slow service.
Wed	59.8	63	65	67	2	3	13.25	7	Kitchen short staffed in pantry. Salads slow in coming out. Private party in alcove kept DR Manager busy.
Thu	63.5	60	65	48	-17	3	11.00	9	Slow lunch due to rainy weather. Sent 1 server home at 12:40

By using actual historical averages of meals served, the number served on the same day of the week last year, and knowledge of upcoming events, reservations, and the weather forecast, the Dining Room Manager can formally forecast how many meals he expects to serve each day for lunch. He also notes how many servers are scheduled, records the total server payroll hours for the meal period, and gives a subjective rating of how smooth the meal service went on a scale of 1-10 (with 10 being the smoothest). Lastly, by entering specific comments, service issues, and problems encountered, he can take any necessary corrective action and will be well-prepared to forecast next year’s business during the same week.

The process of formally forecasting business levels takes a little time, organization, and discipline, but the rewards are a better understanding of the flow of your business, what specific factors may contribute to poor service, and how many staff should be scheduled. Each of these benefits directly impacts the crux of what you do. While the example above is for a food service operation, the same concept and disciplines would apply to any area of operations where business levels fluctuate by time of day, day of week, and seasonally.

Help yourself be a better manager and improve your department’s bottom line by establishing a discipline of formally forecasting future business levels. You’ll be a *Prince* if you do!

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