

Presentation on F&B Vertical {Club House, Restaurant & Banquets}

Presented by: Aum Consultants.
Mumbai. Nagpur. Pune



Aum Consultants Hotel & Resort Project & Management Consultants



Mumbai. Pune. Nagpur



Introduction to Aum Consultants

- ❖ **Aum Consultants** is a full-service **Hotel & Resort Project & Management Consulting Company**. The company consults Business Hotels, Boutique Hotels, Budget Hotels, Theme Resorts, Camping Resorts, Clubs, Theme Restaurants, Conference & Banquet Halls & so on and deliver clients with the result driven Hospitality Management Services in all areas of Hotels. In a nutshell, from Concept to Commissioning.
- ❖ We provide a detailed Consultancy in Hotel Project Technical Planning and ensure the delivery of optimum returns on the investment. Our focused attitude ensures leverage of hotel assets, greater occupancy, and enhanced levels of service quality and operational performance.
- ❖ Aum Consultants was founded on the principle that consultants should deliver sustainable and measurable results—not just reports & lots of paperwork to our clients. We believe a consulting firm should be more than an advisor. Our approach to consulting is to deliver enduring results for our clients and build lasting relationships with them. We look at each organization from the Chief Executive's perspective and care for our clients' businesses as our own. We align our incentives with their objectives, meaning that we prosper only if our clients prosper. Our recommendations are individually tailored for each client's situation.



We primarily focus on following types of hospitality business as a consultant:

- ❖ New hotels & resort projects
- ❖ New restaurants, food malls, food court projects
- ❖ Consulting and managing existing and running hotel properties

Along with the above services, we also deliver solutions to the following areas of hospitality:

Hotel operations

Aum consultants, mumbai provides operational consulting to hotel's seeking improved financial performance, guest satisfaction and team morale. Typically, these services include analysis of a hotel's market, competitive strengths and opportunities, and operational recommendations and guidance. Should it be desired, we will assist with the implementation of recommendations at the property level as needed.

After initial survey, we recommend improving your **operational efficiencies** and suggest how to increase revenue with greater **customer satisfaction** and reducing operational costs.

Staff training & development

We also conduct onsite staff training programs. The key ingredient to success is maintaining an exceptional level of guest experience -- customer satisfaction. Implementing a comprehensive training and development program for all staff greatly increases the chances of the hotel providing customer service that meets guests' expectations. It effectively helps in improving guest satisfaction & thereby repeat guests.

Sr managers recruitment (talent acquisition)

Aum consultants has indigenously developed "customized" hiring solutions that help our clients to recruit their desired talent pool and attain competitive edge. Our hiring solutions are custom-designed for the individual client-need for specific position. Our selection process is based on a structured and methodical approach. We handpick crème de la crème from four- star, five- star deluxe properties which will best suit your requirement.

Should you have any requirement of such specialized service, we would be delighted to get associated with your up-coming prestigious hospitality projects and request you to go through the detailed scope of services. You may also log on to: www.aumconsultants.net for detailed information about our profile, projects executed and services offered.

Looking forward to our interaction and strengthening our association & always assuring you of our most prompt & personalized services

Sincerely

Subodh Gupte

Principal Consultant

Table of Contents

- ❖ Introduction to Food & Beverage Business
- ❖ Mission Statement
- ❖ Business Excellence Model
- ❖ Importance of M.I.C.E. & Wedding Destinations Segment
- ❖ Hardcore Facts of F&B Business
- ❖ Food Trends in India
- ❖ Financial Plan



Suggested F&B
Business Models

Club House

Specialty
Restaurants



Casual Dining

QSR

Fine Dining Outlets

M.I.C.E.

Banquet Halls

Food Trucks

Conference Halls

Business Centers

Theme Restaurants

Introduction to F&B Business

- It is usually defined by the output of products. But it doesn't include the manufacturing of food & drink and its retailing.
- The basic function: serve food & drink to people and to satisfy their various types of needs.
- The main aim is to achieve **customer satisfaction**. The needs that customer might be seeking to satisfy are:
 - Physiological: the need of special food items
 - Economic: the need for good value for the price paid
 - Social: a friendly atmosphere
 - Psychological: the need for enhancement of self-esteem
 - Convenience : the desire for someone else to do the work
- Following are the main characteristics:
 - A vital part of everyday life
 - Major contributor to the hong kong economy
 - Highly fragmented & complex
 - Creates employment
 - Encourages entrepreneurship
 - Promotes diversity through many different food concepts & cuisines
 - Innovative
 - Consumer led
 - High competition
 - Fulfils basic needs



SECTORS OF FOOD SERVICE INDUSTRY





Commercial (Market Oriented) & Non-commercial (Cost Oriented)

1. Market oriented business characteristics:
 - High % in fixed cost, for example rent, management salaries, depreciation of buildings and equipment
 - Reliance on sales rather than decreases in costs
 - An unstable market demand for the product
 - Flexible pricing policy
2. Cost oriented business characteristics:
 - Lower % of fixed costs, but a higher percentage of variable costs such as F & B costs
 - Reliance on decreases in cost rather than increases in sales
 - A relatively stable market demand for the product
 - Fixed pricing policy

Definition Of Meal Experience

- The meal experience may be defined as series of events both tangible and intangible that a customer experiences when eating out.
 - Tangible- which can be feel by touching, seeing like restaurant tables, chairs etc.
 - Intangible- which can be only sensed/felt like restaurant atmosphere etc.
- It is difficult to define exactly where a meal / drink experience actually starts and ends, although it is usually assumed that the main part of the experience begins when a customer enters a restaurant and ends when he leaves the restaurant.



F&B Services Attributes In Meal Experience

Material Product

- Quality of F & B
- Portion size
- Variety of menu choices
- Food and beverage
- Consistency
- Range of tastes, textures, aromas, color, temperature, appearance
- Price of meal/service
- Availability of menu items

Environment

- Cleanliness
- Location and accessibility
- Size and shape of room
- Furniture and fitting
- Atmosphere (color, lighting, temperature, noise level)
- Spaciousness of restaurant
- Employee's appearance
- Availability of parking

Behavior and attitude

- Friendliness
- Competence
- Courtesy
- Efficiency and speed
- Helpfulness
- Professionalism
- Responsiveness to special requests
- Responsiveness to complaints



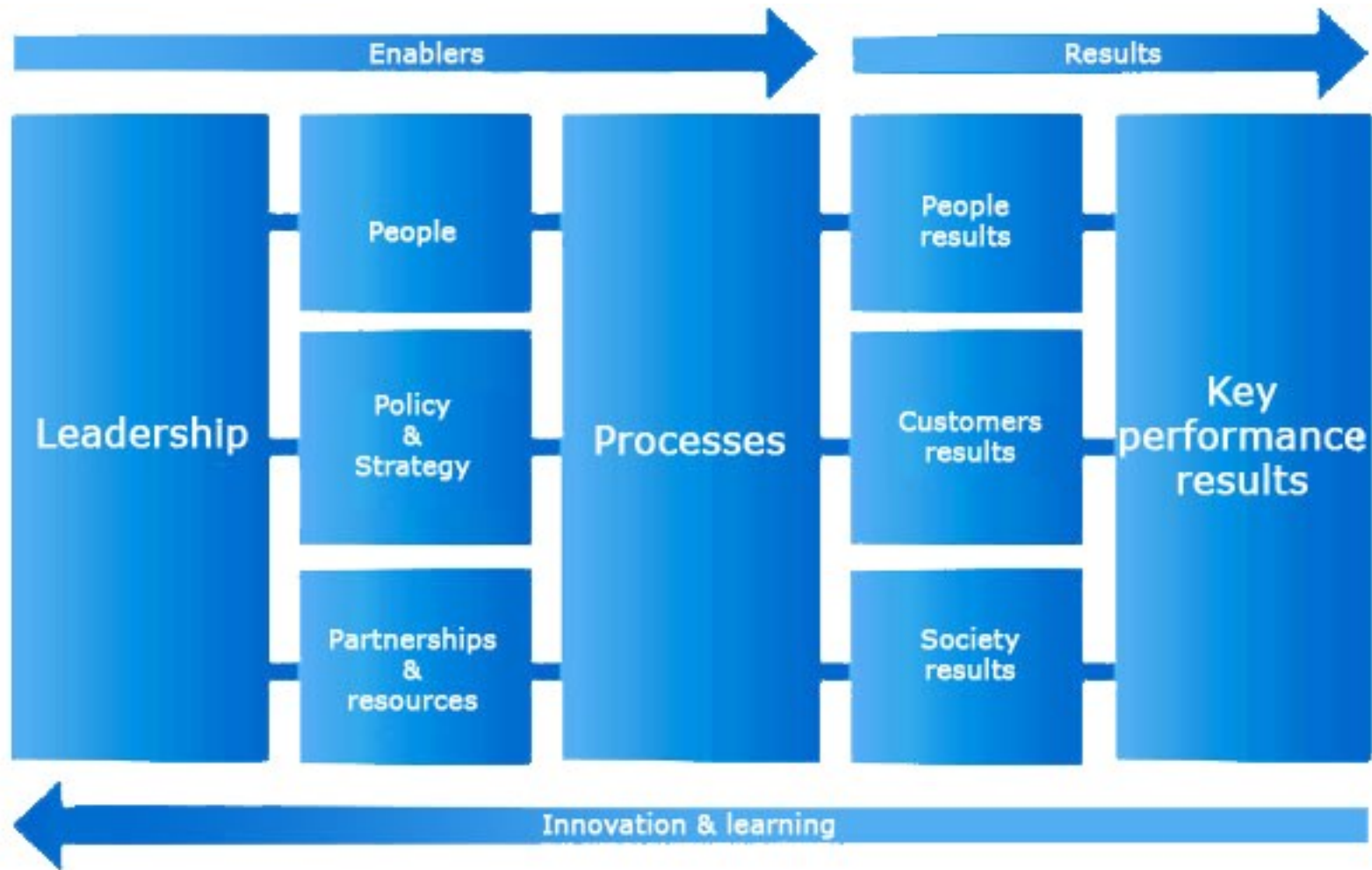
Five F&B Service Methods

- All modern food and beverage service methods can be grouped or categorized under the customer process:
- Table service
- Self-service
- Assisted service
- Single point service
- Specialized service (or service in sit-out)
- In group A – D of the customer processes, the service is provided in areas primarily designed for that purpose, such as a restaurant or takeaway.
- In customer process e, the service is provided in another location, where the area is not primarily designed for the purpose, for example, in a guest room, lounge or hospital ward.
- Table service: the customer is served at a laid table. This type of service, which includes plated service or silver service, is found in many types of restaurant, cafes and in banqueting.

- Self-service: the customer is required to help him or herself from a buffet or counter. This type of service can be found in cafeterias and canteens.
- Assisted service: the customer is served part of the meal at a table and is required to obtain part through self-service from some form of display or buffet. This type of service is found in carvery type operations and may also be used for functions.
- Single point service: the customer orders, pays and receives the food and beverage, for instance at a counter, at a bar in licensed premises, in a fast food operation or at a vending machine.
- Specialized service (or service in situ): the food and drink is taken to where the customer is. This includes tray service in hospitals or aircraft, trolley service, home delivery, lounge and room service.



BUSINESS EXCELLENCE MODEL



Importance of M.I.C.E. Segment

M MEETINGS
I INCENTIVES
C CONFERENCE
E EXHIBITIONS

- It's a form of business tourism
- It is the fastest growing section of the international tourism market
- Is used to refer to a particular type of tourism in which large groups, usually planned well in advance, are brought together for some particular purpose
- Includes a well-planned agenda centered around a particular theme or topic, such as profession trade organization, a special interest group or an educational topic
- Blend of leisure and business economic growth of the region as a whole gets a boost.
- Development of better infrastructure, mainly in transportation, accommodation and air services.
- The elements of relaxation, shopping and sightseeing are usually included in mice trips. Hence, most MICE travelers can be converted into leisure travelers who would spend money on sightseeing and shopping.
- It is quite common for delegates to bring along a companion. Thus, MICE tourism is a powerful revenue earner and the foreign exchange generated goes straight to the core of the region's economy, ultimately generating income for other parts of the country.
- Mice events increase awareness of the host country, create employment and income.
- Mice tourism strengthens the brand value and profile of the country as an international tourist destination.



MEETING. INCENTIVE. CONFERENCE. EXHIBITION

- The India convention promotion bureau (ICPB) sponsored by the ministry of tourism, the government of India aims at promoting India as a competent and credible MICE destination.
- According to the ICCA, India is 27th in the global meetings market.
- The Indian inbound mice segment is growing at the rate of 15 to 29% annually.
- The conventions/conference market is estimated at rs. 4,000 - 5,500 crores annually
- Automobile industry, IT sector, pharmaceutical companies, textile, publishing house, doctors, engineering companies etc. Are major user of the convention and conference facilities in India
- Fashion brands are now leading the way to launch their brands where increasingly affluent people (from India and neighboring countries are participating) for new products experience & updating on current fashions.
- With the health tourism sector in India growing, lot of medical & pharmaceutical health related conventions are now taking place in India..



Destination weddings is the biggest catering business in India and on an average well equipped catering units/ banquet halls receive min 150 and max 200 bookings in a year. This is the largest revenue churning model and the most profitable part of catering business. Average veg rates in standard banquet halls are between RS 700 – RS 1000 / person. On an average for 500 pax full day wedding package is costing between 15-20 lacs





An Ideal Large Conference Set Up



FEW Hard Core Facts About F&B Business

- In a normal hotel scenario (min 50-100 keys), F&B revenue is 70% & room revenue is 30%. Banquets contribute min 40% out of 70% revenue
- It is extensive labour oriented business and personalized services or always “yes sir” attitude will help a co. Grow
- In F&B business GOP (gross operational profit) is about 25% in first year of operations
- In hotel business GOP (gross operational profit) is about 10% in first year of operations
- Food cost in a la carte restaurant is about 33% and in banquets it is 20%



EBITDA & PROVEN GROWTH IN NUMBERS

- **EBITDA** - earnings before interest, taxes, depreciation and amortization is an indicator of a company's financial performance which is calculated in the following manner:
- **EBITDA** = revenue - expenses (excluding tax, interest, depreciation and amortization).
- EBITDA is essentially net income with interest, taxes, depreciation, and amortization added back to it, and can be used to analyse and compare profitability between companies and industries because it eliminates the effects of financing and accounting decisions.
- The Indian tourism and hospitality industry has emerged as one of the key drivers of growth among the services sector in India. The third-largest sub-segment of the services sector comprising trade, repair services, hotels and restaurants contributed nearly US\$ 187.9 billion or 12.5 per cent to the gross domestic product (GDP) in 2014-15, while growing the fastest at 11.7 per cent compound annual growth rate (CAGR) over the period 2011-12 to 2014-15.





EBITDA & PROVEN GROWTH IN NUMBERS

- Tourism in India has significant potential considering the rich cultural and historical heritage, variety in ecology, terrains and places of natural beauty spread across the country. Tourism is also a potentially large employment generator besides being a significant source of foreign exchange for the country.
- The industry is expected to generate 13.45 million jobs! Across sub-segments such as restaurants (10.49 million jobs), hotels (2.3 million jobs) and travel agents/tour operators (0.66 million). The ministry of tourism plans to help the industry meet the increasing demand of skilled and trained manpower by providing hospitality education to students as well as certifying and upgrading skills of existing service providers.
- India has moved up 13 positions to 52nd rank from 65th in tourism & travel competitive index.



Food Trends in India

- In particular, merrill lynch estimates a growth in urban consumption at potentially 20% per annum in nominal terms (16% in real terms) for at least the next 5-7 year period. In addition, higher disposable incomes among consumers particularly in the top 25 cities and the trend towards eating out are combining with growth in organized retailing to fuel growth in the foodservice sector.
- There are 10 million households in india with average household income of rs 46,000 per month and 2 million households with a household income of rs 115,000 per month. Eating out has emerged as a trend, which is prevalent within this elite group. Two of out of every five households in this group eat out at least once a month.
- There are 100 million 17-21 year olds in india, and six out of ten household shave a child that was born in the post- liberalization era and has grown up with no guilt of consumption. Sales by indian food service companies totalled rs 350 billion in 2002. The organized sector is responsible for approximately rs 20 billion worth of sales. Indian consumers spend only 2.4 percent of their food expenditure in hotels and restaurants (including on premises and take-out sales).

- The restaurant industry is an important component of our nation's economy, and employment opportunities in this sector should continue to grow in the future as a direct result of the demographic changes taking place. Indian consumers spend only 2.4 percent of their food expenditure in hotels and restaurants. American and British consumers, by comparison, spend 46 percent and 29 percent respectively, of their food expenditure on away-from-home meals. This indicates that there is significant scope for the growth of the food service sector in India in the years to come.

- A number of factors are driving increased foodservice sales in India:

- Growth in personal income
- Shrinking in household size
- Urbanization
- Growing no of women in workforce
- Emergence of the liberalisation children
- Rise of self employed & menu diversification

Food Trends in India



Food Trends Specific to India



- Although all the above trends being witnessed in USA are applicable to India, some specifics attributable to restaurants here are:
- An increasing trend toward vegetarian food and an increasing trend of reduction in red meats
- Fast food is finally here to stay. There have been some failures but the success of Mc Donalds, Pizza Hut and Domino's Pizza have caused some people to eat their
- words. It is, however, important to note that the Indian consumer wants "international desi" and that the Indian
- palate is indeed addicted to a certain level of spice. Any new international entrants would ignore this fact at their peril.



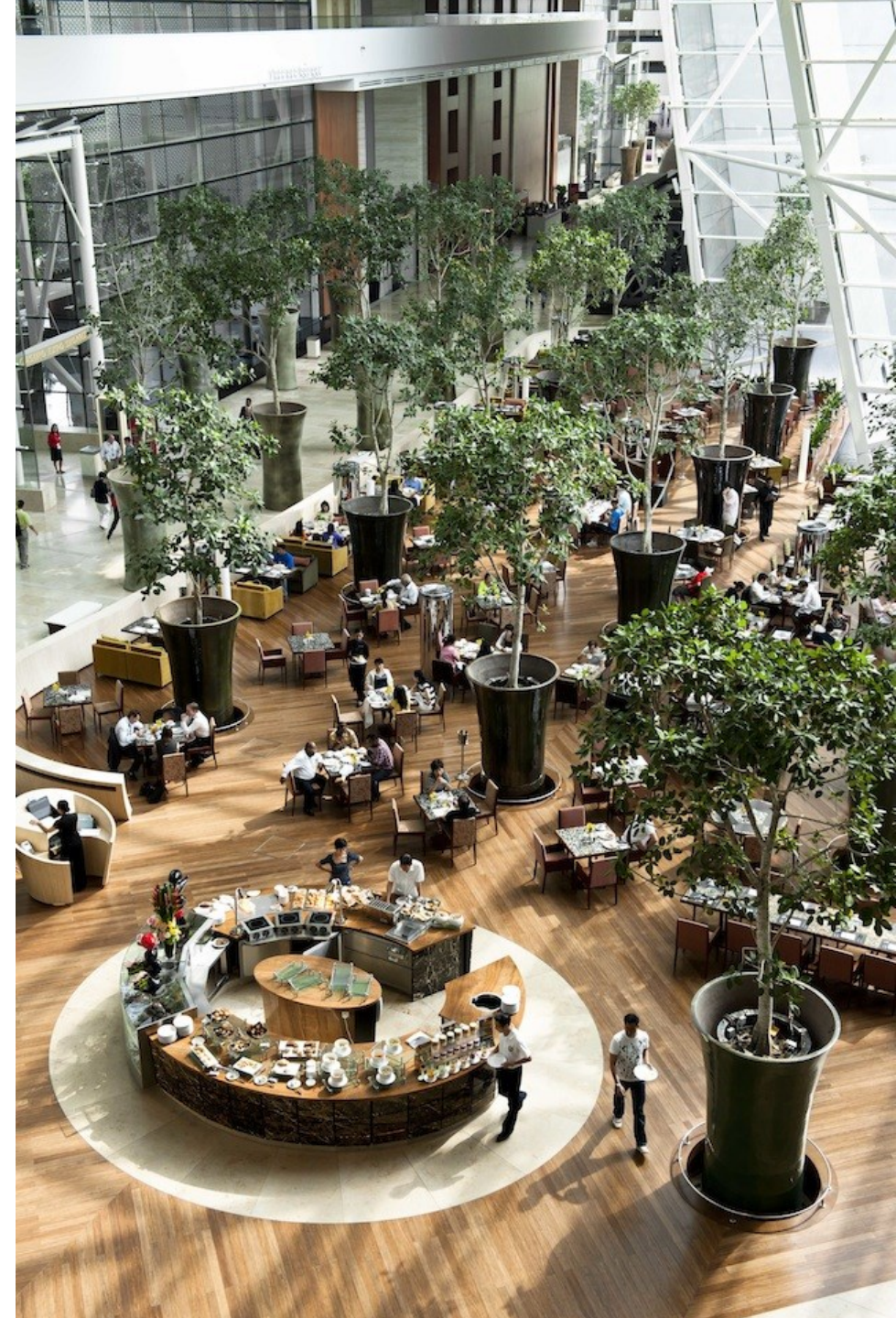
Food Trends Specific to India

- There is a tremendous future for regional indian cuisine restaurants. There are very few authentic restaurants offering regional indian cuisine and that is an area that could witness significant growth over the next few years.
- An increasing trend of freestanding international cuisine restaurants serving Italian, Mediterranean, Thai, Spanish, Korean, and other exotic cuisines.
- The spread of Indian fast food as popularised by Haldiram's, Nathu sweets and others continues and remains a very large market.
- Pizzas, burgers, indian tandoori, chinese, south Indian & Thai continue to dominate
- The take away business and is growing at double digit annual rates.

Eating Out Culture

Eating out has evolved into a popular trend among Platinum households. Two out of five such households eat out at least once a month. This is highest in Bangalore (43 percent) and lowest in Pune (33 percent). It is estimated that Indians spend Rs 350 billion annually on eating out.

Moreover, of this Rs 350 billion, the organised sector accounts for only Rs 20 billion, suggesting a tremendous potential for growth in this area. An analysis of National Accounts Statistics data with regards to private final consumption figures (PFCE) reveals interesting insights as well.





Projects Completed & Ongoing: 2014-20

- ❖ Project Planning & Operations Set Up of 25 Rooms High-end Resort at Manor on Mumbai – Ahmedabad Highway
- ❖ Project Planning & Execution of 25 Keys Boutique Resort at Shirol On Mumbai-Nasik Highway
- ❖ Project Planning & Execution of 30 Keys Boutique Resort at Wada, Near Thane
- ❖ Project Planning & Execution of 30 Keys Boutique Resort at Pali Near Khopoli
- ❖ Conceptualization & Project Planning of 50 Keys Resort at Tapola Near Mahabaleshwar
- ❖ Conceptualization & Project Planning of 50 Keys Boutique Resort at Roha on Mumbai-Goa Highway
- ❖ Conceptualization & Project Planning of 25 Keys Boutique Resort at Murbad Near Kalyan Mumbai
- ❖ Leasing & Successful Managing 10 Keys Boutique Resort at North Goa
- ❖ Operational & Marketing Set up of Luxury 100 Keys Resort at Igatpuri, near Mumbai
- ❖ Conceptualization with Primary Feasibility of Agri Tourism and Luxury Resorts at Dahanu, near Mumbai
- ❖ Project Planning, Coordination, Executing Interior Designing of Commercial Office in Andheri, Mumbai
- ❖ Conceptualization & Project Planning of Luxury Jungle Lodge at Tanzania
- ❖ Conceptualization, Planning & Operations Set up of 50 Keys Resort at Karjat
- ❖ Operational & Marketing Set up of Luxury 50 Keys Resort at Igatpuri, near Mumbai



Projects Completed & Ongoing: 2014-20

- ✓ Operations Set Up, Manpower Recruitment, Deptt. SOP's, Manuals for 100 Keys Resort at in MP – Completed
- ✓ Project Planning & Operations Set up of 25 Keys Boutique Resort with Adventure Tourism Facilities at Murbad, near Mumbai - Completed
- ✓ Conceptualization & Project Planning of 60 Keys Agri Tourism Resort at Satara, near Pune - Ongoing
- ✓ Conceptualization & Project Planning of 50 Keys Boutique Resort at Satara, near Pune – Ongoing
- ✓ Conceptualization & Project Planning of 50 Keys Resort & Beach touch Restaurant & Camping site at Shrivardhan, Konkan Coast 165 Kms from Mumbai – Ongoing
- ✓ Conceptualization & Project Planning of Club House at Karjat, near Mumbai - Completed
- ✓ Conceptualization & Project Planning of 25 Keys Agro Tourism Resort at Karjat
- ✓ Conceptualization & Project Planning and execution of 24 Keys Hotel & Food Court at Wardha, near Nagpur
- ✓ Conceptualization & Project Planning of Agri Tourism Resort near Nagpur
- ✓ Conceptualization & Project Planning of Food Court at Nagpur
- ✓ Conceptualization & Project Planning of Food Court, Club House and Hotel Complex at Nagpur

*Thank
you*



Subodh Gupte - Principal Consultant
HMCT. IHM. Mumbai 1982

Aum Consultants
Hotel & Resort Project & Strategic Management Consultants

Mobile: +91 810 820 5025 | +91 96738 38535

Website: <https://aumconsultants.net>

E-mail: subodhgupte@aumconsultants.net

