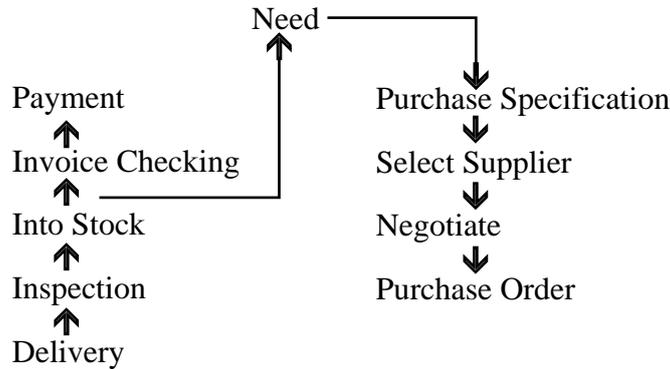


CYCLE OF CONTROL

The purchasing cycle is pivotal to overall business performances and a fixed purchasing policy is the initial control point of the catering business. The supplier should also be aware of what is expected of the product. Once a menu is planned, a number of activities must occur to bring it into reality. Skillful purchasing with good receiving can do much to maximize the result of a good menu.

The purchasing cycle:-



Important steps of purchasing:-

- Knowing the market
- Establish and use specifications
- Receive and check the goods
- Determining the purchase needs
- Design the purchase procedure
- Evaluate the purchasing task

Knowing the market and market characteristics is very important and it is important for the purchaser to have a clear knowledge of the items purchased with reference to

- Where they are grown or available
- Approximate cost
- Laws and regulations governing the market
- Processing
- Class and grade of the product
- Season of production
- Conditions of supply
- Marketing agents and services
- Storage requirements

Buying Method:- Informal & Formal (BID)

This depends on the type of market and the kind of operation. When amount are not in large, casual buying or informal buying is suitable and desirable. Prices and supply tend to fluctuate with informal methods. Formal contracts are best for large controls for commodities purchased over a buy period of time. Formal buying is known as competitive buying and supplier are given written specifications and quantity needs. Negotiation here are written.

Types of Needs:-

- Perishable like fresh fruits and vegetables, dairy products, meat and fish. They are generally purchased to meet menu needs for a short period.
- Staple - canned, bottled, dehydrated, frozen products. Bid buying is frequently used to take the advantages of quantity price purchasing.
- Daily use needs - contract items are delivered frequently or par-stock basis. Stocks are kept up to desired level and supply is automatic on a daily basis or several times a week, weekly or less often. Most items are perishable and so supply must not be excessive but just sufficient to get through the next delivery.

Principles of purchasing:-

The buyer searches for a market based on the menu and the operations needs. Investigation takes place after the right market is located.

Factors for consideration during purchasing are:-

1. Types and image of the establishment.
2. Style of operation and system of service.
3. Occasion for which the items are needed.
4. Storage space availability for dry, refrigerated, perishable and frozen products.
5. Finance available and the supply policies of the organization.
6. Availability, season ability, price trends and supply.

Selecting suppliers:-

The following points are considered while selecting suppliers:-

- Price.
- Delivery.
- Quality or standard.

Cost Control:-

It is important to know the exact cost of each process and every item produced so a system of cost analysis and cost information is essential.

The advantages of an efficient costing system are

- It discloses the net profit made by each section of the organization and show the cost of each meal produced.
- It results in a more effective use of stores, labor and materials.
- It provides information necessary for the formation of a sound price policy.
- Facilitates a speedy quotation for all special functions.
- Enables the caterer to keep the budget.

Receiving:-

Goods must be checked on delivery to make sure they meet the purchase specifications. Before items are delivered, it is necessary to know what has been ordered, both the amount and quality and when it will be delivered. The procedure for receiving is to ensure that:-

- | | |
|---|--|
| A) Adequate storage space is available. | B) Access to the space is clear. |
| C) Temperature of goods is checked. | D) Perishable goods are checked. |
| E) There is no delay in transporting items to cold storage. | F) Any damaged items to be returned. |
| G) Check the 'used by' and 'best before' dates. | H) Record properly the delivery notes and returns. |
| I) Credit note to be provided for any goods not delivered. | J) Report any discrepancy to the supplier. |

Purpose of Control:-

- | | |
|---|---|
| ➤ Supplies of what is required are available. | ➤ Supplies are of the right quality and quantity. |
| ➤ Supplies are available on time. | ➤ There is a minimum of wastage. |
| ➤ No overstocking of supplies. | ➤ No pilferage. |
| ➤ All legal requirements are adhered to. | |

Checklist for Control:-

Goods inward:- Deliveries should be correct regarding quality, quantity, hygiene and temperature.

Storage:- Items in proper stock rotation -

- LIFO, FIFO & FEFO, accurate recording
- Correct standards of hygiene to monitor regarding temperature, security and minimum wastage.
- Food promotion - Proper standard of food hygiene and safety.
- Presentation - Accurate portion control.
- Back door - Pilferage to be prevented.

Portion Control:-

It is controlling the size or quantity of food to be served to each customer. The portion size depends on the following factors:-

(a) Type of customer or establishment - This depends on the persons served in heavy industries or to female clerical workers. It also depends on the restaurant grade and whether served in a table d'hote or a la carte menu.

(b) Quality of food - Better quality of ingredients will have higher yields and loss of trimmings along with time and labor will be reduced, thus increasing the number of portions available from a fixed amount of ingredient.

(c) The buying price of the food - The price paid for any item of food should be equivalent to the quality, which results in a good yield and thus helping the establishment for a sound portion control. Otherwise it is difficult to obtain fair number of portions and the selling price may have to be raised.

Storing & Issuing:-

Raw materials should be stored correctly under right conditions, temperature etc. The price of ingredients vary over a period of time, and a stores may have several prices. The establishment must decide which price to use:

- | | |
|---------------------------------|--|
| a. Actual purchase price. | b. Simple average price. |
| c. Weighted average price. | d. Inflated price (price goes up after purchase) |
| e. Standard price (fixed price) | |

Store keeping:-

- Minimum level to be maintained so as to avoid shortage.
- Checking of items properly while entering and leaving the stores to avoid pilferage and wastage.

Essentials for proper storage:-

- Should be cool and away from direct sunlight.
- Well ventilated, free from dampness and pests.
- Should be in a convenient position to receive and issue goods.
- A good standard of hygiene should be maintained.
- Shelves should be easy to clean and at least 6" above the floor.
- Good lighting arrangement.
- To be used by authorized persons only, thus restricting the entry and reducing the risk of pilferage.

Types of record used:- Stocks and Control.

Bin Card:- There should be individual bin card for each item held in stock. The following details that are found on the bin card are

- | | |
|---------------------------------------|---|
| ➤ Name of the commodity. | ➤ Issuing unit. |
| ➤ Dates of goods received and issued. | ➤ From whom they are received and whom issued to. |
| ➤ Maximum stock. | ➤ Minimum stock. |
| ➤ Quantity received. | ➤ Quantity issued. |
| ➤ Balance held in stock. | |

Requisition Book:- This book is issued to department drawing goods from the stores. They have a department serial number. Every time goods are drawn from the stores, the requisition must be filled out and signed by the necessary head of department. The cost is filled in and thus the total expenditure over a period for a certain department can be quickly found out. The details that are found on the requisition sheet is

- | | |
|------------------------------|----------------------------------|
| ➤ Serial number | ➤ Name of the department |
| ➤ Date | ➤ Description of goods required |
| ➤ Quantity of goods required | ➤ Unit |
| ➤ Price / Unit | ➤ Issued quantity (if different) |
| ➤ Code of the item | ➤ Cash column |
| ➤ Signature | |

Stock Sheet:- Stock should be taken at regular intervals of either one week or on month. Spot checks are also advisable every three months. This will prevent the chances of pilferage and fiddling taking place. The details found in the stock sheet is

- | | |
|------------------------|---------------------|
| ➤ Description of goods | ➤ Quantity required |
| ➤ Quantity issued | ➤ Balance |
| ➤ Price / Unit | ➤ Cost columns |

They are normally printed according to the alphabetical order.