

## Internal sources and storage

Sources of information can be divided into two areas:

- ❑ Internal sources and storage
- ❑ External sources and storage

### Internal

#### The Board of Directors, or Top Management

This is the provision of information on the policies, objectives and plans of the organisation as a whole. It may also include control procedures which have to be implemented.

#### Production

Controls information, such as:

- ❑ Profitability of sales,
- ❑ Popular items,
- ❑ Loss leaders,
- ❑ Efficiency
- ❑ Production.

In the hotel and catering business this involves

- ❑ Food and Beverage Departments,
- ❑ Reception,

- ❑ Housekeeping.

The records of source and storage could include the following:

- ❑ Bin cards or computer records - stock control, stock turnover and stock level.
- ❑ Restaurant sales analysis - popular items, percentage recovery, customer spending per head, ratio of food sales to drink sales, comparison between dispensing departments (kitchen, dispense bar, etc). The revenue received on popular periods of the week, month, year, etc.
- ❑ Reception - Tabular ledger, registration cards, diaries, etc. These show room occupancy, other room utilisation, the type of clientele, the ratio of tourist to chance business trade, the source of clientele, and rates charged.
- ❑ Housekeeping - Maintenance programmes, expenditure on refurbishing (in accordance with budgets regarding redecoration), cleaning schedules (showing costs of cleaning room, either per room, or rooms per maid), and the cost of material used.

## Finance

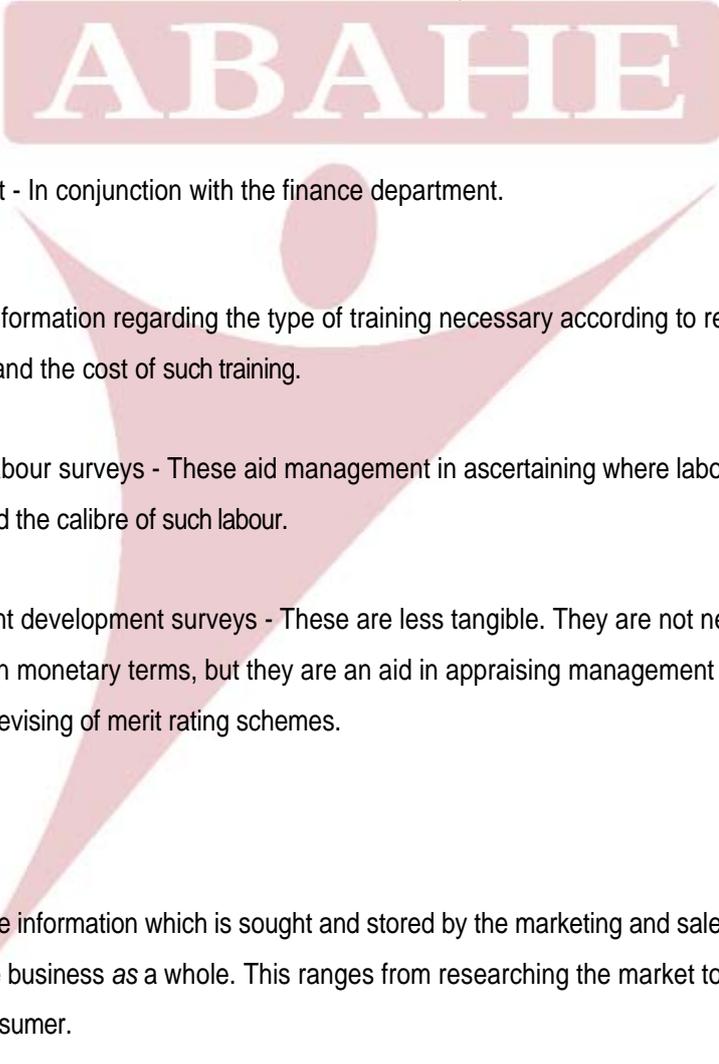
The finance department will be involved in all of the financial aspects which are mentioned in the production departments. However, this department can, and does provide control information on the overall business.

- ❑ Performance report - In the hotel and catering industry this shows periodic performance of all of the departments in terms of sales, materials, staff, and profit. It will also include the administrative departments and the cost and distribution of services, for example, heat, light, power.
- ❑ Wage report - rise and fall in wage costs, sick leave and other absences.
- ❑ Bad debts report - This gives valuable information to production departments, particularly regarding guests who may return.

- ❑ Many ratios - For example, the return on capital employed showing the employment of capital, or other ratios which show factory cost to sales, administration costs to sales and innovation costs to sales, etc.

### Personnel

This department also has its budgets and its objectives which require planning and control. The information which is obtained and stored is useful to management in many ways. The reports would include:

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- ❑ Wage report - In conjunction with the finance department.
  - ❑ Training - Information regarding the type of training necessary according to required standards, and the cost of such training.
  - ❑ Source of labour surveys - These aid management in ascertaining where labour can be obtained and the calibre of such labour.
  - ❑ Management development surveys - These are less tangible. They are not necessarily expressed in monetary terms, but they are an aid in appraising management performance and in the devising of merit rating schemes.

### Marketing

The importance of the information which is sought and stored by the marketing and sales departments normally involves the business as a whole. This ranges from researching the market to methods of distributing to the consumer.

### Market research

A large amount of information can be obtained on the type of customer, the source of the customers, the relationship to competitors, etc. All this is information on which other departments are dependent, particularly information regarding the volume of sales.

Surveys into warehousing, distribution and sales outlets -all this is vital information which is needed to ensure that the quality and profit standards are met, and that customer satisfaction is achieved.

This list, while not complete, attempts to highlight the fact that all establishments or organisations, whether by accident or design, prepare and store a vast amount of information which is valuable to control and ultimately to the business. The numerous records mentioned above, provide more than the relationship of revenue to stock issue. Not all of the records and reports, which are ' prepared, provide useful information, but it must be recognised that every organisation has access to some records regarding its performance.

In the modern business world additional storage facilities are available. These range from simple mechanised accounting machines to computerised tills, and mini and large main-frame computers.

### Mechanised Accounting

This is very useful because it can speed up the process of analysing information, such as restaurant analysis and tabular ledgers. This means that information is available much more quickly, a feature which is of vital importance to control. Computerised tills can be programmed with the prices of dishes so that the type of dish is registered by the operative, not the price. This helps to minimise fraud and provides immediate analysis of sales.

### Computers

Computers have two major features which have a great potential in the field of management control:

- ❑ The ability to store vast amounts of information and to call this up at will for processing is available to meet the needs of management.
- ❑ The speed at which all operations can be accomplished. It would have been impossible to consider the total integration of management controls before the advent of the computer.

The sheer magnitude of the task would have rendered it impossible. Modern computer capacities and speeds have made it possible for any organisation, large or small, to develop the concept of totally integrated controls at costs which are within the reach of most. For the smaller organisations, which are unable to bear the capital cost involved, there are alternative

approaches, such as machine rental, or consultants which make it possible for them to achieve most of the features of a comprehensive control system.

In the hotel and catering industry computers can be used for billing, the storage of information, customer profile, reservations, room allocation, cashiering, electronic room status, electrical cut-out in occupied rooms, etc.

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