



Analysis the Causes of High Food Costs and Food Cost Control Strategies at the Food and Beverage Product Department at the Four Points Hotel by Sheraton Bali

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ABSTRACT

The hotel's second largest revenue is food and beverage revenue. Four Points by Sheraton Bali Ungasan benefit from the sale of food and beverages, the income can be achieved maximally if the control of food cost effectively and efficiently. The objective of this study was to determine the cause of the high food cost at Four Points by Sheraton Bali Ungasan in 2020 and to determine the food cost control strategy by the food and beverage product department. Based on the percentage comparison between standard food costs and actual food costs period January-December 2020, there is a difference of 4.03%. This study uses a qualitative descriptive analysis technique of triangulation of sources using the theory of Dittmer, Ojugo, and Wiyasha. The results of this study indicated the purchasing section was not applied standard purchase specifications and standard prices. The receiving section did not check the quality and quantity of food from suppliers. Foodstuff storage did not apply FIFO and the storage space did not mind the feasibility and temperature. The issuing section did not apply storeroom requisition. The kitchen section did not apply the standard yield, standard recipe and standard portion size optimally, this causes high food costs.

KEY WORDS: Food Cost, Procurement of Foodstuffs, Control of Food Cost.

INTRODUCTION

The cost control section is the section that functions to carry out cost control tasks and record raw material inventories for food and beverages (Kapidin, 2017: 133). The cost of food in the hospitality industry is one of the most important costs to control among other costs, controlling food costs is very important because this can limit waste (Onyeocha, 2015:60).

The reality is that the costs incurred by the hotel with the budget that have been set are often different, so it needs to be observed to find out what causes these costs to be greater than the budget that has been made and how to control food cost strategies in the Food and Beverage Product Department.

Standard Food Cost has been made by management to be able to determine the percentage level of profit that will be achieved from the sales of the food menu at the hotel, the standard determined by the management of Four Points by Sheraton Bali Ungasan is 35% of the selling price of the food menu.

Standard food costs are agreed upon by the general manager, financial controller, and executive chef by looking at the food menus sold by the restaurant and also paying attention to the food raw materials needed to be able to produce the food menus to be sold. This is in line with what was conveyed by Wiyasha (2011: 4), namely the range of the cost of food sold in hotels is 35%.

Table 1: Comparison between Standard Food Cost and Actual Food Cost at Four Points by Sheraton Bali Ungasan Period January-December 2020



BULAN	Sales	Standard Food Cost		Actual Food Cost		Variance	
		Rp	%	Rp	%	Rp	%
Januari	1,036,128,568	362,644,999	35%	398,990,687	38.51%	(36,345,688)	-3.51%
Februari	1,392,335,619	487,317,467	35%	535,007,565	38.43%	(47,690,098)	-3.43%
Maret	341,990,862	119,696,802	35%	130,828,504	38.25%	(11,131,702)	-3.25%
April	32,496,104	11,373,636	35%	12,697,634	39.07%	(1,323,998)	-4.07%
Mei	35,090,758	12,281,765	35%	13,709,489	39.07%	(1,427,724)	-4.07%
Juni	41,197,987	14,419,295	35%	16,274,087	39.50%	(1,854,792)	-4.50%
Juli	65,578,120	22,952,342	35%	26,170,864	39.91%	(3,218,522)	-4.91%
Agustus	104,704,418	36,546,546	35%	38,133,797	36.42%	(1,487,251)	-1.42%
September	48,818,702	17,086,546	35%	18,946,578	38.81%	(1,860,033)	-3.81%
Oktober	161,991,878	56,697,157	35%	63,177,675	39.00%	(6,480,518)	-4.00%
November	268,509,313	93,978,260	35%	109,770,375	40.88%	(15,792,115)	-5.88%
Desember	443,204,506	155,121,577	35%	179,564,889	40.52%	(24,443,312)	-5.52%
TOTAL	3,972,046,835	1,390,216,392		1,543,272,094		(153,055,701)	
RATA-RATA	331,003,903	115,851,366	35%	128,606,008	39.03%	(12,754,641.79)	-4.03%

Source: Departemen Accounting di Four Points by Sheraton Bali Ungasan]

According to Dukas in Prabaswara (2019: 33) there are several possibilities that can result in an increase in the percentage of food costs at a hotel or restaurant that occurs in several parts of the work area. The possibilities that occur include: (1) errors in purchasing goods, (2) errors in receiving goods, (3) errors in storing goods, (4) errors in issuing (issuing) goods. According to Cengiz (2019:4) there are several things that can affect the high cost of foodstuffs, so it is important to supervise the purchasing, receiving, storing and issuing departments. This theory is in line with that expressed by Dittmer (2003:84) that errors in the operations of purchasing, receiving, storing, and issuing can affect the cost of foodstuffs (Hasan et al., 2021).

The purpose of this study was to determine the cause of the high food cost at Four Points by Sheraton Bali Ungasan in 2020 and to determine the food cost control strategy by the food and beverage product department by identifying weaknesses based on the theory of Dittmer (2010:101) , Ojugo (2010:116 -119) , and Wiyasha (2011:23).

METHOD

This research was conducted at Four Points by Sheraton Bali Ungasan, which is located at Jalan Uluwatu Banjar Giri Dharma, Ungasan, South Kuta, Bali 80364. The object of this research is to focus on the causes of high food costs and food

cost control strategies in the food and beverage product department. at Four Points by Sheraton Bali Ungasan.

The data analysis technique of this research is descriptive qualitative analysis technique of triangulation of sources. The sampling technique in this study used a purposive sample consisting of five informants, namely the chief accountant and executive chef as key informants, as well as purchasing, cost control/storekeeper, and commissioners as key informants. Data collection techniques used in this study were interviews, observation, documentation.

RESULT & DISCUSSION

Based on the above background, the purpose of creating an ecotourism village in Mendirola Hamlet, Panglungan Village, and Wonosalam District is to provide benefits to local communities for forest sustainability. But on the other hand, forest tourism, springs, and river cruising, which are the main attractions of Mendirola Hamlet, are not among the types and mainstream tourism products that tourists are interested in today. Precisely herein lies the purity of alternative tourism to be implemented with ecotourism packaging and tourist villages.

Data Description

Based on the results of research in the purchasing section which is analyzed based on Dittmer's theory (2010:101), in the reception section based on Ojugo theory (2010:116), in the storage section based on Ojugo theory (2010:118), in the expenditure section based on Ojugo theory (2010: 119), and in the food cost control strategy section based on Wiyasha (2011:23), namely:

- a. In the purchasing department, sometimes purchasing tends not to pay attention to standard specifications when buying food ingredients in large quantities, so the goods ordered are not checked properly. Besides that, purchasing continues to make purchases at suppliers who make sudden price changes because the hotel needs the goods and purchasing does not want to repeat purchase orders and continues to buy at these suppliers, so that the application of price standards does not run optimally.



- b. At the reception, food ingredients suppliers often count and weigh their own food ingredients because storekeepers & cost control trust suppliers too much. The storekeeper & cost control section only serves as the recipient of food ingredients that come without checking the condition of the food ingredients. The storekeeper & cost control section does not date the containers of perishable goods plus the lack of knowledge about labeling itself.
 - c. In the storage section, the kitchen only puts all meat and seafood products from suppliers into the freezer without being wrapped first. The kitchen employee does not regulate the temperature of the food storage area properly and does not match the temperature standard. The kitchen as the storage party that stores all food ingredients tends not to care about slow moving items and is never reported at all. The kitchen only stores food that is easily damaged without being marked or labeled when the item is received. The first foodstuffs that enter do not come out first because the kitchen does not arrange the ingredients properly and there is no date when the goods are received.
 - d. In the expenditure of groceries, storeroom requisition is not applied so that the goods that come out may not meet the needs. So that the food ingredients that have been purchased will be more quickly run out due to food wastage.
 - e. In the food cost control strategy in the Food and Beverage Product Department, the Food & Beverage Product does not set yield standards for food processing. The standard recipe has not been implemented properly by commis in the food menu production process, because commis only uses estimates during the food production process. The standard portion size that has been designed by the executive chef has not been implemented properly by commis during the food production process.
- Discussion**

Based on the description of the data above, the causes of high food costs at Four Points by Sheraton Bali Ungasan in 2020 are described from the purchasing to expenditure sections, including:

- a. Purchasing, purchasing does not use standard purchase specifications as a purchase reference so that the quality of the purchased food ingredients is not in accordance with the standards set by management, this happens especially when purchasing is required to purchase a lot of food ingredients and at an urgent time. The purchasing department of Four Points by Sheraton Bali Ungasan has made price comparisons between several suppliers for each food ingredient, but often suppliers provide prices that are not in accordance with the contract due to uncertain conditions and weather, plus when there is a price change, purchasing does not want to repeat create purchase orders.
- b. Reception, storekeeper & cost control tend to trust suppliers too much to count and weigh the incoming goods themselves. So this will open up opportunities for fraudulent behavior from suppliers. The storekeeper & cost control section only looks at the food ingredients from the outside and sometimes doesn't check the condition of the ingredients in detail. The storekeeper & cost control does not apply special labels and containers for food ingredients that come in, of course this will make it easier for the food and beverage production department to have difficulties in implementing the first-in, first-out inventory system.
- c. Storage, meat and seafood products are not wrapped when put in the freezer so that the meat will spoil faster due to dehydration and oxidation due to air entering the meat. By not setting the standard temperature for food storage cabinets so that the temperature control temperature conditions for food storage are not maintained properly. The food and beverage product party as the person in charge of storing goods that store all food ingredients tends not to care about goods that move slowly and are never reported at all. Perishable foodstuffs are not marked or labeled when the goods are received because there is no adequate marking label. The first foodstuffs that came in did not come out first because of the poor layout and the absence of a date when the goods were received.

Based on the description of the data above, in addition to explaining the things that cause high food costs in terms of procurement of food ingredients, the following is described food cost control by the Department of Food and Beverage Products, among others:





- a. The food & beverage product side does not apply yield standards for the entire process of processing food ingredients, for example: if a food ingredient such as chicken breast has gone through a yield test, then the net weight of chicken breast is 80%, then when this raw material is ready to be processed with the percentage of 70%, it can be assumed that there is a waste of food costs of 10% of chicken breast meat. By not implementing this, it results in wastage of food ingredients because there is no determination of the raw net weight.
 - b. The standard recipe that has been designed by the executive chef has not been implemented properly by commis in the food menu production process, commis only uses estimates during the food production process. commis tends to only use estimates during the food production process with the reason that the work is completed quickly. This has an impact on the taste of the food produced being inconsistent and the cost for one menu may change due to the use of food ingredients that are not in accordance with the standard recipe that has been made.
 - c. The standard portion size that has been designed by the executive chef has not been implemented properly by the commission, especially when there are many orders from guests. For example: in situations where there are many orders from guests, commis only uses estimates when making, for example when they cook a menu of uttered duck, the standard portion that has been set is 125gr of duck meat, but the portion used by commis is larger, around 130gr. This has an impact on the portion for one menu of food served will change because the standard portion size is not implemented optimally and this has an impact on the high food cost per one serving of food served.
- b. The receipt of groceries at Four Points by Sheraton Bali Ungasan did not go well. The storekeeper & cost control party tends to trust suppliers too much to count and weigh the incoming goods themselves so that the amount of food ingredients received does not match the amount ordered. At the time of quality inspection, the storekeeper & cost control only pays attention to the quantity, while the quality of the goods is not paid attention so that it can interfere with the production process and can increase costs, and the storekeeper & cost control does not give a date to the container of goods that are easily damaged, making it difficult to carry out the FIFO procedure. and it is difficult to control perishable goods.
 - c. The storage of food ingredients at Four Points by Sheraton Bali Ungasan has not been fully running, especially the temperature control conditions where the food ingredients are stored do not follow the existing temperature standards, and meat and seafood products are not wrapped when put in the freezer. The kitchen employees also tend to not care about items that move slowly and are never reported at all to the executive chef, causing the items to become expired and unfit for use. Perishable foodstuffs are not marked or labeled when the goods are received, and the first foodstuffs that enter do not come out first according to the FIFO method due to poor layout and the absence of a date when the goods were received.
 - d. The expenditure of groceries at the Four Points by Sheraton Bali Ungasan is not accompanied by a storeroom requisition, so all food ingredients are stored directly by the food and beverage production department, this can cause an increase in the cost of groceries because there is no storekeeper participation in it to control the food ingredients that have been prepared. purchased by a hotel and also not implementing a storeroom requisition causing all purchased food ingredients to be charged directly to food costs as soon as the goods are received by the storekeeper & cost control.

CONCLUSIONS

The factors that cause high food costs at Four Points by Sheraton Bali Ungasan in terms of purchases, receipts, storage, and expenses, are as follows:

- a. Purchasing groceries at Four Points by Sheraton Bali Ungasan has not gone completely well. Purchasing parties pay less attention to the Standard Purchase Specification, especially when making purchases in large quantities and at an urgent time, so that many foodstuffs are not in accordance with the standards and

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Ungasan has not run optimally because the implementation of the Standard Purchase Specification has only been carried out by the Food & Beverage Product, while in the Purchasing section the implementation of the Standard Purchase Specification has not been considered properly, resulting in quality the purchased food ingredients are not in accordance with the standard purchase specification. In addition, Food & Beverage Products has not implemented optimal yield standards for the entire processing of food ingredients, this results in food wastage, and also does not apply standard recipes and standard portion sizes optimally because commis tends not to use existing standards but only using estimates only, especially in conditions of a high number of orders from guests.

Based on the discussion explained about the procurement of food ingredients that cause high food costs and food cost control strategies in the food and beverage department at Four Points by Sheraton Bali Ungasan, several suggestions can be given, including:

- a. The purchasing department should discuss with the kitchen to find other alternative food ingredients when food ingredients are scarce and when ordering is very urgent. Purchasing when buying food ingredients should always be guided by the Standard Purchase Specification so that all the quality of the purchased goods can meet the standards and nothing is wasted.
- b. The storekeeper & cost control section should weigh the number of items that come in to match the amount purchased, as well as open and inspect the inside of the food ingredients or taste from a taste perspective to maintain the quality of the food ingredients, and put a date on the surface of the food container so that in the next stage it will be easier to perform the FIFO procedure.
- c. The employees of the food and beverage product department should pay attention to the temperature according to the standards that have been set, and wrap meat and fish in environmentally friendly plastic to avoid damage to the meat because air enters the meat. Slow-moving foodstuffs should be reported to the executive chef, ensuring that each perishable food item is filled with a date label received, and paying attention to the layout of the food ingredients to make it easier for the food ingredients to enter and leave according to the First In First Out (FIFO) inventory method.
- d. Storeroom Requisition should be applied so that the expenditure of food ingredients can be better organized and avoid wastage of food ingredients by irresponsible parties which has an impact on the increase in food costs in the month concerned.
- e. The purchasing department and the food and beverage product department should be able to work together in carrying out standard purchase specifications, so that in the future there will be no purchases of food ingredients that are not in accordance with standards. In addition, it is important for the food and beverage product department to apply standard yields so that ready-to-process food ingredients have their respective net raw weights to avoid wasting food raw materials while they are being processed to become ready-to-process ingredients. The commissioner should be able to properly implement the standard recipe and standard portion size that has been made by the executive chef so that the cost of food ingredients is used efficiently.

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