



Planning Catering Service

10

About This Chapter

The operation of all small businesses requires skills in budgeting of money and scheduling of time. Retailers and restaurateurs, for example, depend not only on a suitable location, accurate market analysis, creativity and luck, but also on efficient operational budgeting and scheduling. Ruth and Floyd, the owners of a small neighbourhood bakery and tearoom featured in this chapter, provide customized products and service. However, they must charge prices that are competitive with larger, more generic operations, which have the advantage of economy of scale.

The *Activities* in this chapter are an integral part of the story. The reader works through the numeracy tasks as Ruth sets them up and completes costing and scheduling forms. Ruth uses careful budgeting to help her price her baked goods, select the best supplier and rotate stock. In one activity, she leads the reader through how she uses average price and quantity buying as strategies for getting the best deals for her ingredients. In another, she provides the formulas she uses to calculate what to charge for baked goods. Her scheduling skills are highlighted in a third activity in which she details how she prepares a turkey dinner for 200 people. In this task, allocating the correct amount of time, down to minutes, is the key to planning the preparation of not only the turkey, but the rest of the meal.

Contributors

Sheila Whincup is an adult education consultant based on Vancouver Island. Her work on the Essential Skills Research Project has involved interviews with over a hundred workers about how they use essential skills in their jobs. She feels it a privilege to have gained a 'picture' of the working world. In doing this, she has also gained a habit of seeing every person as a potential subject for research. This is why the woman who innocently served her tea and scones one afternoon, fell prey to hours of grilling about her budgeting and scheduling tasks.

**Mathematical Foundation Skills**

✓ Whole Numbers	Number Concepts
✓ Rational Numbers – Fractions	
✓ Rational Numbers – Decimals	
✓ Rational Numbers – Percents	
✓ Equivalent Rational Numbers	
✓ Equations and Formulae	Patterns and Relations
✓ Use of Rate, Ratio and Proportion	
✓ Measurement Conversions	Shape & Spatial Sense
✓ Summary Calculations	Statistics and Probability

Document Use Skills

- ✓ Complete forms by marking check boxes, recording numerical information or entering words, phrases, sentences or texts of a paragraph or more.
- ✓ Read completed forms containing check boxes, numerical entries, phrases, addresses, sentences or texts of a paragraph or more.
- ✓ Read tables, schedules and other table-like text.
- ✓ Enter information on tables, schedules or other table-like text.

Reading Skills

- ✓ Read relatively short texts to locate a single piece of information.
- ✓ Follow simple written directions.
- ✓ Read more complex texts to locate a single piece of information or read simpler texts to locate multiple pieces of information.
- ✓ Make low-level inferences from the text.
- ✓ Choose and integrate information from various sources or from several parts of a single text.
- ✓ Make low-level inferences from multiple sources.
- ✓ Identify relevant and irrelevant information.

These are skills practiced in the activities in this chapter.



Planning Catering Service

Meet Ruth, who together with her husband Floyd, own and operate a small neighbourhood bakery and tea room. They take pride in providing the local community, as well as visiting tourists, with freshly baked products and custom-made meals.

Their bakery racks are filled with breads and rolls, while the showcases display cookies, cakes, pies, desserts, sandwiches and salad plates. They prepare everything on the premises from scratch by themselves and with the help of part-time staff.

A charming tea room is attached to the bakery. Here customers can enjoy breakfasts, high teas and Saturday buffets. Ruth and Floyd also offer catering services. They can provide everything from a picnic for two to hot turkey dinners for two hundred.

It takes long hours of work and careful scheduling to accomplish all this. Floyd starts well before sunrise to prepare the doughs for all the baked goods and to *prove* (fermentation process), shape, let rise and then bake the breads. Ruth arrives later to complete the *baking off* (finish the baking) of certain goods. She then fills the racks and display cases before opening shop. “We have clocks everywhere — if we miss one step then we’re behind the whole day.”

Ruth and Floyd try to produce and put out only what will sell that day. They do not like to sell day-old products. This contradicts their goal to provide freshness and also cuts into profits.

Ruth needs to price items so that the business can provide quality products, yet make a profit. To do this, she keeps a close



Ruth with a basket of freshly baked bread in front of the Otter Point bakery.

accounting of costs. She anticipates what materials will be needed for various seasons so she can order them in time. She also tries to buy certain materials when prices are not at their peak. For example, she purchases lots of chocolate for Valentine’s Day products well before February. She also opens for longer hours and schedules extra staff during the summer when the town’s population doubles with visiting tourists. However, she must estimate whether doing so will generate enough additional sales to justify the extra costs of labour, overhead and materials.



Activities

Calculating the Cost of Ingredients

Ruth records the purchases of each item on a *BAKERY INGREDIENT COST SHEET*. She calculates the price per unit of each item, in this case the price per kilogram. This will allow her to calculate the costs involved in producing each baked product. The sheets also help her track shifts in costs and show how often she rotates stock. They also tell her which supplier provides the best prices.

Look at the *BAKERY INGREDIENT COST SHEET* for pastry flour. This provides the following information:

- Column 1: the date the pastry flour was received
- Column 2: the supplier
- Column 3: how many packages were ordered
- Column 4: the size of each package (in this case the size is measured in kilograms)
- Column 5: the total cost of the order (*RCC incl. Frt. Service Fee* means the *Received Cost* including *Freight Service Fee*)
- Column 6: the price per kilogram (note that kg is circled to show that the cost is per each kilogram)

BAKERY INGREDIENT COST SHEET						Form L158
ITEM	Pastry Flour					NO.
DATE RECEIVED	PURCHASED FROM	QUANTITY PURCHASED	SIZE OF PACK	RCC Incl. Frt. Service Fee	Price lb. (kg) ea.	
2 Jan. 01	Warehouse A	2	20 Kg	\$ 34. ⁰⁰	\$ 2. ¹⁰	
8 Jan.	Warehouse B	3	20 Kg	120. ⁰⁰	2. ⁰⁰	
15 Jan.	Retail	3	5 Kg	41.60	2.08	
22 Jan.	Retail	6	5 Kg	64.50		
29 Jan.	Warehouse B	4	20 Kg	152. ⁰⁰		
~~~~~						
7 May 01	Warehouse A	3	20 Kg	\$ 120. ⁰⁰	\$ 2. ⁰⁰	
14 May	Retail	6	5 Kg	69. ⁰⁰	2.30	
21 May	Warehouse B	5	20 Kg	190. ⁰⁰	1.90	
28 May	Warehouse B	3	20 Kg	120. ⁰⁰	2. ⁰⁰	



* Use the *BAKERY INGREDIENT COST SHEET* to complete the following six activities.

### Activity 1

Calculate the price per kg for the purchases on Jan. 22 and 29. Enter these in the *PRICE* column on the sheet.

### Activity 2

Which of the three suppliers offered the best price on pastry flour?

### Activity 3

Ruth checks the prices every 3–6 months to see if costs are changing significantly enough to require changing the price of her baked goods. Calculate and compare the average price per kg she paid during the month of January and of May. Did the average price rise or lower, and by how much?

### Activity 4

Ruth prefers the 5 kg packages, so would like to buy from the retailer. The retailer is willing to match the \$1.90/kg price of Warehouse B, but only if Ruth makes at least a \$100.00 order. How many 5 kg packages would Ruth have to order from the retailer to get the lower price?

### Activity 5

Pastry flour has a shelf-life of several months, but Ruth and Floyd don't like to keep it longer than one month. They need to know the biggest order they should make at one time and still be sure to use it up in one month. To calculate the amount to order, Ruth uses the average number of kilograms used in the two months of January and May. What would this order be?

### Activity 6

Using the information from *Activity 4* and *Activity 5*, would it be economical for Ruth to purchase pastry flour from the retailer in *Activity 4*?



*Ruth takes a moment to sit with two of her favourite 'trompe-l'oeil' guests in the tea room.*