

Bruce Mattel • The Culinary Institute of America

# catering

A GUIDE TO MANAGING A SUCCESSFUL BUSINESS OPERATION



Second Edition

WILEY



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# Preface

The foodservice industry continues to grow and expand into new areas of innovation and excitement. The landscape now includes high-end food trucks, pop-up restaurants, and farm diners, which, in their own unique ways, are forms of catering.

Many restaurateurs and hoteliers will make statements such as, “It’s the banquets that keep us in the black,” or, “Thankfully, we had several holiday parties that kept us going through the winter.” Catered events, whatever their size and style, are excellent opportunities for generating high profit margins and optimizing cash flow. It’s important to remember that creative and artistic talent alone does not make a business successful, but rather complements the ability to generate revenue and control costs.

*Catering: A Guide to Managing a Successful Business Operation, Second Edition* provides the reader with the tools to fully understand the challenges and benefits of running a successful catering business. Whether you are a business-savvy, nonfoodie entrepreneur looking to make a career change or a foodservice professional trying to climb the corporate ladder, *Catering, Second Edition* will help you achieve your goals.

The *Second Edition* of *Catering* was written as a general, common sense guide using a simple step-by-step format that significantly contrasts other books that are geared to a specific segment of catering such as on-premise, off-premise, or corporate dining. It is essentially written for the beginner, although seasoned catering managers will also be able to pick up tips to help them perform better and increase profits.

*Catering, Second Edition* provides valuable resources to the reader such as practical recipes, simple business-related forms, and caterer’s checklists; all are designed as baseline tools for good organization and execution.

## For the Student

Many students, upon enrolling in culinary or hospitality schools, initially desire to seek employment in restaurants after graduation, hoping to become an entrepreneur some years later. Many students' minds get changed after they learn about or experience firsthand the income-earning potential associated with catered events. In addition, modern banquet cookery is as innovative and creative as restaurant cookery. In fact, most catering customers demand that the food, beverage, and service at their event are as good as or better than what they experience from their favorite restaurant. Graduates who decide to enter into catering will be charged with providing the “restaurant” experience to their clients and optimizing profits for their employer. Their success with this endeavor will secure the future of the business and propel their career. Reading *Catering, Second Edition* is the first step to getting there.

## For the Aspiring Caterer

*Catering, Second Edition* can be used as a guide to constructing a sound business plan, providing simply stated advice and instructions for a step-by-step approach to success. In the first chapter, we examine the qualifications necessary to become a successful caterer. Astute entrepreneurs will identify from that list their areas of strength and others that might require some development. *Catering, Second Edition* will also provide experienced business owners with the tools to expand and diversify their existing business to capture a new market and increase revenues.

## Organization of the Text

*Catering, Second Edition* contains some exciting updates and additions, including expanded information on accommodating dietary restrictions, plating and presenting food, and banquet execution. Recipes, some with photographs, are also included, along with serving suggestions and considerations.

### CHAPTER 1: INTRODUCTION TO CATERING

This chapter discusses ways to identify the characteristics needed to succeed in the catering segment and how to assess the feasibility of a business idea and/or proposal. Several specific areas of catering are identified, along with the benefits and challenges of managing each.

## **CHAPTER 2: STARTING YOUR CATERING BUSINESS**

Chapter 2 gives the reader guidance regarding choosing the best location for a catering business and the necessary requirements for a successful and compliant start-up. The flow of goods is also addressed, giving the reader a realistic overview of the major areas to resource prior to opening for business.

## **CHAPTER 3: PRICING FOR PROFIT**

This chapter provides the tools for optimizing profit margins after considering and projecting labor costs, food, and beverage costs, along with other variable and fixed operational expenses. Other subjects addressed here are the availability of products in the marketplace, portioning, and other pricing considerations. Plating and presentation are also discussed as ways to upsell menu items and increase the potential customer's perception of value.

## **CHAPTER 4: SETTING UP THE CATERING KITCHEN**

In Chapter 4, the catering kitchen layout, essential equipment for preparation, transportation, and event execution are discussed in detail, along with employee training and safety guidelines. Some specialized equipment helpful in managing dietary restrictions is also covered.

## **CHAPTER 5: STAFFING**

Employees are a caterer's most valuable resource and must be selected, trained, and cultivated effectively. Chapter 5 provides the reader with the tools for effective recruitment, documentation, training, evaluating, and terminating staff.

## **CHAPTER 6: MARKETING**

Chapter 6 contains ideas and strategies necessary to build a client base, one that will hopefully grow significantly over time. Although many caterers will tell you that most of their business comes from word of mouth, any successful businessperson has a comprehensive and diversified marketing plan that fits his or her budget.

## **CHAPTER 7: EVENT PLANNING**

In this chapter, the reader will discover the multifaceted approach to event design and execution. Effective event planners are innovative, creative, and detail oriented—all necessary traits for preventing mistakes and miscalculations that can be costly. The proper use of several business forms such as the banquet event order, contract, and final bill are explained in this chapter as well.

## **CHAPTER 8: HOW CAN WE SERVE YOU?**

Tasty food and refreshing beverages alone do not make an event successful. In fact, great service can sometimes trump great food. A grumpy, inhospitable server can dampen the mood of any catering guest, regardless of décor, food quality, and venue. In Chapter 8, we discuss selecting the front-of-house staff that's right for any size and style of catering business.

## **CHAPTER 9: FOOD PREPARATION AND SERVICE**

In Chapter 9, we discuss food production and flow from the purchasing stage to plating. Several plating and serving methods are discussed, as well as menu design depending on product availability and practicality. In addition, specialized service tips for off-premise caterers and safe transportation of food can be found within this chapter.

## **CHAPTER 10: DINING ROOM AND BEVERAGE MANAGEMENT**

The organization of the front of the house, including the bar, is discussed in Chapter 10, along with guidance on the preparation and service of alcoholic beverages. Also covered are several types of bar service, along with some advice on bar service.

## **CHAPTER 11: SAMPLE MENUS AND SERVICE**

Chapter 11 contains inspiring suggestions for menu designs based on specific occasions and style of catering events ranging from a simple cocktail party to a corporate fundraising gala.

## **CHAPTER 12: RECIPES FOR CATERING**

New to this text are several practical, mainstream recipes that can add to the repertoire of any on- or off-premise caterer.

## **Resources for Readers**

You will find the following documents within this book but also available electronically at [www.wiley.com/college/cia](http://www.wiley.com/college/cia):

- Off-premise Banquet Event Order is the event map that gets distributed to all essential personnel involved in the catered affair.
- Sample Figure Invoice Request breaks down the costs of the event for the customer and asks for payment.

- Follow-Up Questionnaire is a form that solicits feedback from the client, allowing the caterer to self-evaluate their performance and improve.
- Kitchen Party Report and Cocktail Chef's Checklist are essentially forms used to recap the event experience from the supervisor's point of view with the intent to share with staff in the post-mortem meeting.
- Party Report (filled-out example).

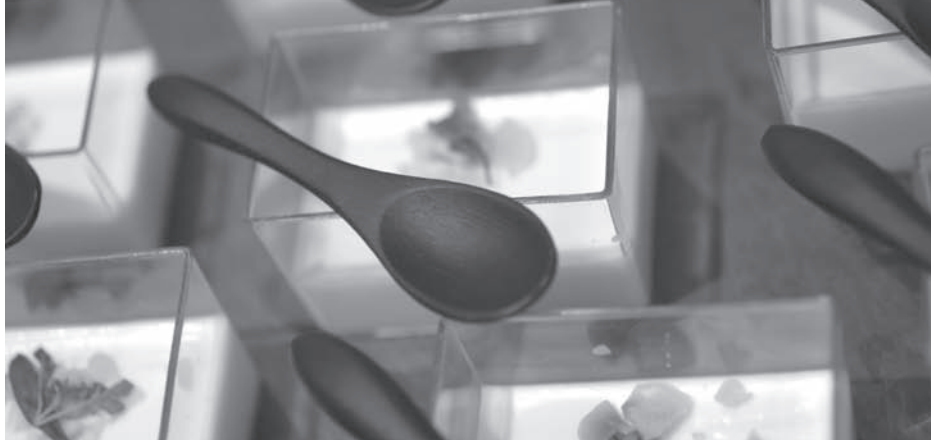
In addition, on the accompanying website, you will also find these forms:

- Off-premise Site Visit Sheets can capture the individual attributes and challenges associated with changing venues and often inspire innovative event design.
- Event Planning Work Sheet or Inquiry Form provides a way to capture the customer's "wish list" and gives the event planner a great tool for designing an event that both satisfies the client and is profitable for the caterer.
- Sample Event Proposal is used as a first draft for communicating the details of an event after one or more consultations between the client and event planner.
- Sample Corporate Dinner Write-up is a tool for conveying only necessary information to a catering staff at the planning meeting that precedes the event.

## Resources for Instructors Teaching the Course

In addition to the resources available to the reader, *Catering, Second Edition* offers an Instructor's Manual including a Test Bank to help instructors who are designing courses around catering. The Test Bank has been specifically formatted for Respondus, an easy-to-use software program for creating and managing exams.

A password-protected Wiley Instructor Book Companion Site ([www.wiley.com/college/cia](http://www.wiley.com/college/cia)) provides access to the online Instructor's Manual and the text-specific teaching resources. The PowerPoint lecture slides are also available on the website for download.



# Acknowledgments

I am extremely fortunate to work at The Culinary Institute of America, an organization brimming with talented foodservice professionals and scholarly educators. The information compiled in this book is the result of conversations and meetings with many of my colleagues at the CIA, many of which transpired on a staircase or while discussing a Spanish *croqueta* in one of our teaching kitchens. The passion of knowledge possessed by each of these individuals is the main ingredient that will keep the reader engaged while digesting the information and guidance contained in this text. Those individuals include: Professor Ezra Eichelberger, Chef Brannon Soileau, Chef Paul DelleRose, Chef John Reilly, Chef Michael Garnero, Chef Joseph DePaola, Chef Eric Schawaroch, and Chef Waldy Malouf.

I would like to thank Dr. Tim Ryan, president of The Culinary Institute of America, who continually connects me with industry professionals gracious enough to answer tedious questions about their experience and operations. I would also like to thank my supervisor and friend, Chef Brendan Walsh, for his continued support of all of my endeavors and the occasional impromptu lesson in overall mindfulness.

A special thank-you goes out to Alison Awerbuch, Philip DeMailo, and the staff of Abigail Kirsch Culinary Productions for their continued support of this project, for providing me with photographs and business forms, and for its openness in allowing me to observe several of their spectacularly catered events.

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Lastly, I would like to thank my wife, Denise, and my son, Jason, for providing continual unconditional love just by being themselves.



# Dedication

I would like to dedicate this book to my parents, Howard and Sylvia Mattel, whose encouragement and nonjudgmental behavior gave me the confidence to push forward toward lifelong happiness and success.

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# About the Author

**BRUCE MATTEL** is associate dean for food production at The Culinary Institute of America. Chef Mattel graduated from the CIA with honors in 1980 and worked as a chef at several notable restaurants, including Coq d'Or, Le Bernardin, and Prunelle. Prior to joining the CIA in 1998, he was chef and owner of Custom Cuisine, a catering company and gourmet shop in Tarrytown, New York.

Founded in 1946, The Culinary Institute of America is an independent, not-for-profit college offering associate and bachelor's degrees with majors in culinary arts, baking and pastry arts, and culinary science, as well as certificate programs in culinary arts and wine and beverage studies. As the world's premier culinary college, the CIA provides thought leadership in the areas of health and wellness, sustainability, and world cuisines and cultures through research and conferences. The CIA has a network of 45,000 alumni that includes industry leaders such as Grant Achatz, Anthony Bourdain, Roy Choi, Cat Cora, Dan Coudreaut, Steve Ells, Johnny Iuzzini, Charlie Palmer, and Roy Yamaguchi. The CIA also offers courses for professionals and enthusiasts, as well as consulting services in support of innovation for the foodservice and hospitality industry. The college has campuses in Hyde Park, New York; St. Helena, California; San Antonio, Texas; and Singapore.



# catering

A GUIDE TO MANAGING A SUCCESSFUL BUSINESS OPERATION

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# 1. Introduction to Catering

**W**henever people gather together for several hours, they're going to require food and beverages. At business meetings, coffee, tea, and bottled water—at the very least—are made available for attendees. Celebratory occasions such as weddings, christenings, birthday parties, bar and bat mitzvahs, and anniversaries call for special food and drink to complete the festivities. These are all prime occasions for catering.

From a meal in a prestigious stadium skybox to a mobile lunch wagon on a movie set, catering can be bone-china elegant or paper-plate casual, but it always means serving good-quality food and drink to many people.

Several things distinguish a catering operation from a restaurant. Catering is usually done by prearranged contract—food and drink provided at a certain cost to a specific number of people. The menu at a catered event is usually more limited than a restaurant menu and is chosen in advance by the client. The way the food is prepared is different, too. Although both restaurant and catering chefs do the *mise en place*, or prepare the food ahead of time to a certain extent, catering chefs prepare their food so that it only needs brief final cooking, reheating, or assembly prior to service.

There are two main categories of catering:

- 1. Institutional:** These caterers at hospitals, universities, airlines, large hotels, and retirement centers provide a wide variety of food and drink to a large number of people on an ongoing basis—usually at the institution itself. The institution usually contracts with a catering company to have this service provided.
- 2. Social:** These caterers provide food and beverage services to civic groups, charities, corporations, businesses, and individuals on-premise at a catering or banquet hall or off-premise at a selected location.

The opportunities for a catering business multiply every year, given the right demographics—individuals, groups, or businesses that are able to pay for the service.

### **Who Uses Catering Services?**

- Convention centers
- Hospitals, universities, retirement centers, nursing homes
- The entertainment industry: musicians on tour, movie sets, plays in production, professional sports events
- Businesses: For meetings, openings, special sales events, corporate retreats, team-building exercises, awards banquets, executive dining, employee meals, galas, and so on

- Community groups: For fund-raisers, donor or sponsor lunches, galas, and so on
- Individuals: For special in-home dinners, bridal and baby showers, wedding receptions, birthdays, anniversaries, funerals, and so on

## Career Outlook for Catering

The catering segment of the hospitality industry continues to grow every year. During the mid-1990s, catering was actually the fastest-growing sector of the foodservice industry. Overall, the catering industry's revenue increased approximately 100 percent from 2001 to 2011.<sup>1</sup> Based on the 2013 *Restaurant Industry Forecast*, the catering sector will grow faster than all other foodservice segments; 5.6 percent growth was predicted in 2013, with total sales expected to exceed \$45 billion.<sup>2</sup>

Projected 2013 revenues include the following:

Large independent catering companies	\$8.3 billion
Hotel catering, banquet, and hospitality operations	\$5.7 billion
Sports, entertainment, and cultural venue catering	\$3.9 billion
College/university foodservice catering (self-operated)	\$1.5 billion
Contract managed foodservice catering	\$5.4 billion
Restaurant private dining catering	\$7.1 billion
Delivery, QSR, retail, supermarket	\$12.4 billion
Military foodservice catering	\$1.5 billion

Total sales may not include total revenue from bar services or incremental sales revenue generated from additional services provided by caterers such as space or venue fees, event rentals including equipment, vehicles, tabletop, décor, and other needs, including staffing, entertainment, wedding, and event services.

<sup>1</sup> US Census, Catersource CCU, IBIS World, National Restaurant Association.

<sup>2</sup> National Restaurant Association, 2013 *Restaurant Industry Forecast*.

Why is catering growing at such a strong pace? Contract catering allows institutions to keep costs down. And in the case of social catering, a home-building trend that includes large kitchens with upscale appliances inspires owners to entertain more often. In addition, the increase of cooking and lifestyle programming on television has led the average person to learn more about food products, wine, and cooking, and thus want a more sophisticated approach to home, business, or community entertaining than ever before.

## Profile of a Successful Caterer

According to the *Princeton Review*, more than 70 percent of all catering services are owner run. Thus, a successful caterer usually marries the culinary talents of a chef with the business savvy of a CEO.

For anyone who wants to be a caterer, a passion for entertaining is a prerequisite, because without it, the long hours and hard work will seem tiring rather than exciting and rewarding. Many caterers start out as people who simply love to cook and entertain. Their guests are always complimenting them on their abilities and telling them that they should entertain for a living. Some very successful caterers have begun their career this way; however, the passion for cooking and entertaining alone is not a recipe for success.

Before starting a catering business, you should attend formal classes on catering and business management or work for one or more caterers until you have a high level of understanding and a sense of the business.

Some people try to turn their hobby into a small catering business from home, in kitchens that are not licensed by the local health department. There is a big risk in operating this way. Home-based caterers may find themselves in trouble with the health department if their guests become ill from their food. In addition, home-based caterers usually do not understand the realities of running a for-profit catering business with many fixed expenses, such as business licenses, separate business phone and fax lines, and a website, all of which are necessary for continued business growth.

If you think that catering might be a great career option for you, check your skills against the qualities that a successful caterer ought to have (see sidebar on page 5). See how you fit in, or find those areas in which you'll need more education or help.

Some of these qualifications could be a natural part of your personality or education; you might have to learn others. Or you could hire a person or company to handle a part of the business that is not your strong suit.

Here are several examples:

- If your culinary creativity soars, but your spelling and grammar are not the best, contract with a high school English teacher or a professional food writer to proofread your letters, contracts, and menus on a case-by-case basis. You may have the best-looking and best-tasting food in your city, but if your contracts, letters, and menus have spelling mistakes, that tells your customers that you aren't top-notch.
- If you're a talented chef with a sense of style but you don't have a clue about accounting practices, take a noncredit adult education class at your local community college, hire an accountant, or shadow a restaurant or catering manager to see how the book work is done.
- If your food and business skills are terrific but your style sense suffers, either concentrate on an area of catering in which this doesn't matter as much (institutional or outdoor barbecue catering), hire an assistant or catering manager with a sense of style, or hire an independent designer to help you create a professional, appealing style.
- If your food sense, style, and business skills are all great, but you can't fix anything, offer a retainer to a full-time (more expensive) or retired (less expensive)

## Qualities of a Successful Caterer



Excellent organizational skills  
Time-management skills  
The ability to multitask  
A friendly, hospitable personality  
The ability to manage stress  
An extensive knowledge of ingredients  
A high level of written and verbal communication skills  
Natural leadership and motivational skills  
A knowledge of social and religious cultures and customs  
Excellent networking skills  
Proficiency in basic accounting principles  
Basic mechanical skills  
Good negotiating skills  
Quick thinking and problem-solving skills  
Basic knowledge of social media use

handyman or refrigerator and appliance repairperson to be on call. Then pay the hourly rate for any service call. For a major function, include the cost of this person's services as an insurance policy against culinary disaster. If you can't get the blowtorch to work and you need to make crème brûlée for three hundred, his or her services will be worth the extra money—especially if you have already figured the cost into your per-person price.

The bottom line: a successful caterer has all the bases covered.

## What Do You Want to Do? Finding Your Catering Identity

Catering is a popular but competitive field. If you develop an identity or a signature style, you can create the competitive edge you'll need to succeed. Most people associate caterers with mainstream events such as weddings and holiday parties. Caterers who seek out a specific group or niche market have the opportunity to become the preferred caterers when that specific style of catering is needed. And caterers who know how to customize their services to appeal to a specific group or type of event usually continue to grow their businesses.

For example, you might decide to specialize in outdoor barbecue catering and market your business accordingly. You would set up your business with the specific equipment needed for this type of catering and create a customized barbecue menu. If you perform well at the initial events that you contract, you'll have good word-of-mouth referrals. You'll earn back your initial investment for the specialized barbecue equipment quickly, making it difficult for other mainstream caterers who need to rent equipment to compete for this type of party.

Here are a few more examples of catering niches:

- **Party platters:** Whether dropped off by the caterer or picked up by the customer, party platters are a great way to create a buzz. Sales reps find they can get more attention from a medical or editorial staff when they provide a free lunch. Automobile dealers often want finger foods for potential customers coming to their showroom during a special promotion. Real estate agents may provide food and beverages to potential buyers during an open house showcasing a property.
- **Five-star dining at home:** Although popular, this service is still a niche market in large cities. Instead of going to a high-style restaurant, clients want a



five-star experience in the comfort (and, usually, elegance) of their own homes, often for a special dinner for either business or pleasure.

- **Special dietary catering:** Your identity might be gluten-free or weight-loss foods, if the demographics in your area can support it. Vegetarian or even vegan catering is popular with entertainment-industry professionals. If your catering operation can travel to movie sets or rock concerts, or deliver meals to customers, so much the better.

## How Do You Want to Do It? Finding the Right Catering Scenario

The big question is: Do you want to be employed as a caterer by a larger organization or start your own catering business?

The benefits of being an employee of a larger catering organization are that you do not take the financial risk of starting a business, you have a guaranteed salary and fewer job responsibilities than a catering business owner, and you gain valuable experience. The downside is that your earning potential is more limited.

As a caterer owning your own business, there is no guaranteed salary. You risk the money you use to start your business, your job responsibilities cover all aspects of the business, and any mistakes you make affect you directly. The upside is that your earning potential is virtually unlimited.

A medium-size catering business grossing \$500,000 per year (about \$10,000 in receipts every week) can realize a profit ranging from 10 to 20 percent, or \$50,000 to \$100,000. Top caterers can gross \$1 million or more with a similar profit margin—\$100,000 to \$200,000 per year. Keeping expenses in line and factoring profit into your pricing are the keys to that profit. (See Chapter 3, “Pricing for Profit.”)

Whether you want to start your own business or be employed as a caterer or catering manager, there are many types of catering to consider.

## On-Premise Catering

An on-premise catering operation is made up of a food production area (kitchen) and a connected area where people dine. Examples of on-premise catering operations include restaurants, hotel banquet departments, cruise ships, country clubs,

catering halls, and even some religious structures. On-premise operations should be located in desirable, safe locations and have ample parking. Whenever possible, the operation should be easily accessible by car and visible from the road. There should be a drop-off area for guests to allow for valet parking and protect the guests in bad weather. The entrance should have wheelchair accessibility and even an automatic door.

The downside to this scenario is that the larger the facility and the closer it is to a downtown area, the more expensive it will be to launch. However, on-premise catering businesses are a great place to gain valuable experience or a steady income as a salaried employee.

Many on-premise caterers start off renovating former movie theater space in a shopping mall, renting space in an existing school or church, adding on a private banquet room to their existing restaurant, or building a catering hall close to a metropolitan area, but far enough away to find good real estate values.

The following are some examples of the many levels and styles of on-premise catering.

## **RESTAURANTS**

Many restaurants have a private area or areas that can be used for parties. Some restaurants cater parties at their establishments on days that they are normally closed. Some operators even book their restaurant for catered events during normal business hours and close the doors to the public. (Restaurant operators should not turn away their regular clientele too often by closing their entire operation for such private parties.) If you already own or run a restaurant, this is a good way to get started in catering, as all the basics—your overhead expenses, kitchen facility, linens, glasses, and wait staff—are already in place.

## **HOTELS AND RESORTS**

Hotels and resorts depend on their banquet departments to achieve profitability for their overall food and beverage operations. Banquet net profits can range from 15 to 40 percent, while hotel room service and restaurants often lose money. Many hotels have a variety of banquet rooms of different sizes and styles. This allows them to market their catering services to corporate clients for meetings and conventions as well as to private clients for social engagements, such as weddings and bar mitzvahs. Most hotels charge for the rental of the banquet rooms as well as for food, beverages, and service. This rental fee is partly responsible for the banquet's profitability.

Most hotels and resorts have large banquet kitchens specifically designed for high-volume catering. There is usually a separate group of cooks and prep people, headed by a banquet chef. The executive chef oversees this department and collaborates with the banquet chef and event-planning personnel when developing banquet menus or planning individual events. While working in such a venue is a good way to get catering experience, establishing one is a difficult and expensive way to start your own business.

## **CRUISE LINES**

Most cruise lines offer catering services aboard their ocean liners. Event planning aboard a cruise liner is similar to that in a hotel. Some additional challenges are providing lodging for all the affair's guests and the inability to receive additional products once at sea. Cruise lines do have wonderful banquet rooms and other spaces that, along with the natural attributes of the environment, make a great venue for parties. Again, this is a good way to get catering experience, but a difficult and expensive way to start your own business—unless you already own a cruise line!

## **COUNTRY CLUBS**

Most country clubs have banquet facilities. While many clubs only allow their members to hold events there, others allow member-sponsored events or even offer their banquet services to the general public. Country clubs often have golf courses and other sports facilities that lure businesses and organizations to host company-wide meetings or conventions where the participants enjoy a day of activities as well as a meal. Working at a country club can be a great way to gain catering experience and develop your identity before you start your own business—or it can simply be a great job.

## **PRIVATE CLUBS**

Private clubs located in urban areas also provide catering opportunities for their members or the public. These “city” clubs have meeting rooms and dining areas that make them viable catering venues, which can provide valuable (and usually upscale) catering experiences. But unless you want to start your own private club, they are not an option for a practicable start-up business.