

VOLUME FORECASTING

Volume Forecasting is one the stages amongst others required for Food Production Control. Production control means the controlling of the preparation of food which together should reduce over-production (and possible waste), loss from inefficient purchasing and processing, and loss from excessive portion sizes. The proper operation of the food control system should aid management in controlling food costs efficiently and maximizing the profitability of the operation. Accurate volume forecasting helps to achieve these objectives.

Definition and Objectives:

Volume forecasting is often referred to as production planning. It can be defined as 'a method of predicting the volume of sales for an establishment for a specified future period'. In order to be practical, it should list the total number of covers and their choice of menu items.

The objectives of volume forecasting are:

1. To predict the total number of meals to be sold in each selling outlet of an establishment at each meal period (e.g. the number of break-fast to be served in the dining hall and the coffee shop and by floor service;
2. To predict the choice of menu items by customers,
3. To facilitate purchasing,
4. To ensure availability of all necessary ingredients,
5. To ensure that appropriate stock levels are held,
6. To control food costs in relation to sales.
7. To enable the food controller to compare the actual volume of business done by each of the selling outlet with the potential volume of business as forecast and for management to take action where necessary.

Volume forecasting is generally done in two stages—an initial forecast and final forecast.

1. THE INITIAL FORECAST

It is generally prepared a week in advance, and shows

- (a) the estimated total number of meals to be taken in each selling outlet;
- (b) the estimated total of each menu item; for each day of the following menu week.

Factors affecting the initial forecast:

- I. *Past Records (Sales Histories)*: In particular one would look at the figures recorded for the same period last year, examine the graph showing sales for last year to check if there is likelihood of a particular trend at this period on the year as well as looking the sales result for the last year. Also note the demand of different items of the menu and identify the items for which there has been no proportionate sale.
- II. *Advance Bookings*: A reference to the advance booking of the rooms and for the banquets would be valuable guide for the planning.
- III. *Current Events*: Annual trade fairs, sports meet, cricket match, the boat show, motor race etc. all such functions have an influence on the business done.

- IV. *Current Trends*: What are the items on the menu which has increased or decreased demand? What are the items which you are not able to sell?
- V. The predicted sale of each menu item is converted into quantities of foodstuffs. The total of each food item required for each meal period is itemized and listed and is used for writing out the requisition notes to the stores and purchasing department. Frequently, to convert the predicted sales of menu items in to quantities of food stuffs, standard recipe and portion conversion charts are used.
- VI. The purchasing manager will use copy of the list together with the requisition order when placing the purchase order, taking into account at the same time, the economic ordering quantity for the item as well as the storage facilities for the establishment.

2. THE FINAL FORECAST

The final and more accurate forecast usually takes place the day before the preparation and service of the particular meal.

Factors affecting the final forecast:

- a) The previous day's food production and food sales figures. If the actual food sales figures are in line with the potential food sales figure. At times food will be left over from previous day's business which is perfectly edible and suitable for sale. Any left-over should be sold as soon as possible before they become a complete write-off.
- b) The weather conditions must be taken into account for the next day. As this forecast will be more accurate. A sudden change in the weather can effect the volume of business done g. rain, snow, very hot. A change in weather will affect customers choice.
- c) The staffing requirement may be worked out very accurately when fairly precise production requirements are known. This assists not only in the preparation of staff rosters of duty, days-off, holidays etc. but may result in the total number of staff being reduced, thus saving in the kitchen and restaurant wages.
- d) Waste is by far the leakage responsible for more financial failure of food operation than all other combined. To prevent waste avoid over-buying, over preparation, improper use of materials, careless preparation of material. Leakages can be reduced by keeping close watch on kitchen pantry, dining room and back-door. Food waste may be due to the poor quality of food purchased and due to short weight or measures, improper handling and storage of food after delivery.
- e) Bad handling and bad storage of food promotes loss through dissipation of the value of a purchase; delay in using fresh vegetable leads to partial or complete deterioration; and even if utilized, such food assumes second hand value. Excessive stock held on storage deteriorates and affects the food cost adversely.

Faulty and incomplete preparation in preliminary and final stages causes waste. Failure to standardize recipes, improper utilization of left-over foods, serving too large or too small portions and lack of adequate records on food cost or improper interpretation of such records all result in waste.