

Guess Who's Leaving With Dinner

Studies Suggest Half of F&B Losses Due to Theft.

Every year, ski areas lose an average of \$140,000 due to a lack of adequate food and beverage (F&B) control. The most recent NSAA Economic Analysis of U.S. Ski Areas shows the average area's F&B revenue to be nearly \$2.8 million, and our studies indicate most ski areas run variances between 5 percent and 8 percent of total F&B revenue. Of the total estimated loss, perhaps half is the result of employee and purveyor theft.

BY BILL SCHWARTZ

Identifying Two Types of Theft

The problem is easier to address if broken down into two primary types of theft: chronic and acute. Chronic theft involves theft of small quantities and tends to be an individual activity. Acute theft involves stealing large quantities, or operating in collusion with truck drivers or other employees. Since the two types are different from a variety of angles (motivation, planning, execution), prevention of chronic theft must be handled differently than prevention of acute theft.

Chronic theft is about food. Motivation for chronic theft is typically as simple as being hungry or poor. It is very difficult to resist food on an empty stomach. It is also difficult to resist the temptation of taking a little food home when there is so much around it would never be missed, and access is easy.

Acute theft is about money. Motivation for acute theft usually involves a desire to make money. In many cases, people who steal in this manner try to enlist others in their schemes. For example, truck drivers are famous for corrupting receiving clerks with the lure of big money and low risk. Bartenders are famous for stealing cash and explaining their methods to other bartenders.

Nibbling Problem

Consider the chronic theft of food associated with nibbling in the kitchen. For example, if every employee in a 10-person kitchen eats one pound of food per day, and the kitchen operates two shifts per day, the annual cost is approximately \$36,500, assuming the cost of what they eat averages \$5 per pound. While nibbling is one form of chronic theft, chronic theft can also take the form of sneaking small quantities of food or liquor out in clothing, trash or any other container leaving the premises. Called shoplifting in other industries, pre-portioned foods are often the target of this type of theft, since they are conveniently packaged individually, well sealed and easy to conceal.

Reducing Chronic Theft

Deterrence is the best solution to chronic theft. Place expensive food in harder to access locations. Lock the walk-ins, or if that isn't possible, place smaller, locked cages on the shelves for expensive items like meats and seafood. Some popular items can be placed on high shelves. Others can be moved to a central storage location and require requisitions to release. Take frequent inventories of most items and more frequent spot-checks of key items, using an inventory system or manual calculation to determine variances.

Reducing Acute Theft

Acute theft requires a much different approach. The objective in curtailing acute theft is to identify the perpetrator(s) and stop them immediately. These people need to be removed from the premises before they do more damage or encourage others to follow their lead.

Acute theft can be discovered in a number of ways, but the two primary techniques are observation and variance tracking. Placing cameras in the receiving area, at kitchen exit door locations and employee parking lots can act as a significant deterrent.

Variance tracking is another way to detect acute theft. Most companies typically perform cash reconciliation. Calculating variances between actual and ideal usage of items you suspect may be involved in acute theft should be done on a daily basis or for each shift. Invoices should be audited for discrepancies against purchase orders. Large invoices with no errors are suspect. Inventory systems can help with both those approaches.

Final Thoughts

While employee theft is an uncomfortable subject, every food service operation must deal with it. By understanding the motivations behind the two types of theft, it is possible to devise creative ways to minimize the impact. Think about why people steal, and remove the motivation by reducing temptation, making access more difficult, increasing surveillance, implementing tracking systems and making examples of those who steal. Using this approach, hopefully the only ones leaving with dinner are those who paid for it.

Bill Schwartz is president of System Concepts, Inc. (SCI), developer of the FOOD-TRAK Food and Beverage Management System. Bill can be reached at bills@foodtrak.com. ■