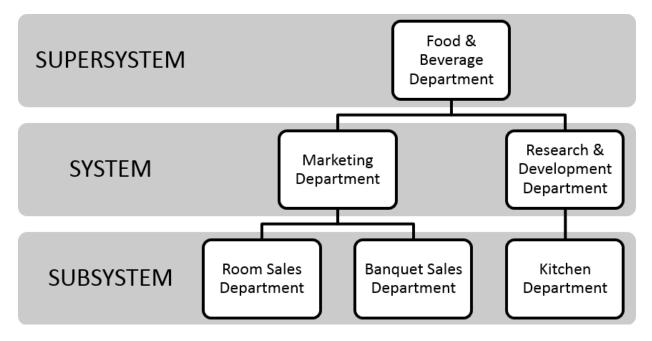
General Systems Theory in the Hospitality Industry

Drawing on the discussion of the characteristics, processes and properties of a system, the daily operations inside a company illustrates the relevance of systems theory to the practice of hospitality industry.

Revenue inside an establishment depends on the sale of its services. For example, in a hotel restaurant, revenue will depend on guest orders from the menu. However, there are other ways to generate income such as through promos and special offers. These promos differ from time to time and they usually last for one month at most. This keeps the restaurant fresh on their offerings as they are giving guests other options besides their standard food line up on the menu. In deciding which promo to offer in a restaurant, the establishment will depend on a system of decision making and operations body to increase the revenue without compromising daily operations.

Characteristics:

1. Hierarchical - System components have subsystems and supersystems



The Supersystem is the **Food & Beverage Department** as they are tasked with conceptualizing ideas for future promos and offers to increase sales. They are also tasked with approving the price, promo line up and marketing materials of a project.

The Systems under it are: **Marketing Department and Research & Development Department**. The Marketing Department is tasked with the design and production of marketing materials to inform the public of our promos. The Research & Development Department is tasked with creating a proposed food line up for a promo, list of ingredients needed and cost of food production for the promo idea conceptualized by F&B Department.

The Subsystems under the Marketing Department are: **Room Sales and Banquet Sales** while the subsystem of Research & Development Department is the **Kitchen Department**. The Room Sales and Banquet Sales Department bring the promotional materials to companies and organizations via Sales Blitz while the Kitchen Department is trained by the Research & Development Department on how to prepare the ingredients, cook the food promo and plate it for serving at the restaurant.

2. Interdependence – System components rely or depend on each other

The Marketing Department depends on Food & Beverage Department for the promo idea or theme as well as the final price to be released as basis of the marketing material's design and content. Also, the Food & Beverage Department will be the one to approve or disapprove the material for public release.

The Marketing Department depends on the Research & Development Department for their food line up in order to create a catchy title for the promo, product knowledge/description of the food for the content, and plating for photo shoot purposes to be used as the visual for the promo.

Research & Development Department depends on Food & Beverage Department for approval of their proposed food item line up, ingredients and costing. Costing refers to the actual cost of food production from the ingredients to the finished product. From the costing, it will be the Food & Beverage Department's task to give the official price to be released to the public. Official price is in NETT which is inclusive of VAT and 15% service charge which will guarantee revenue for the company.

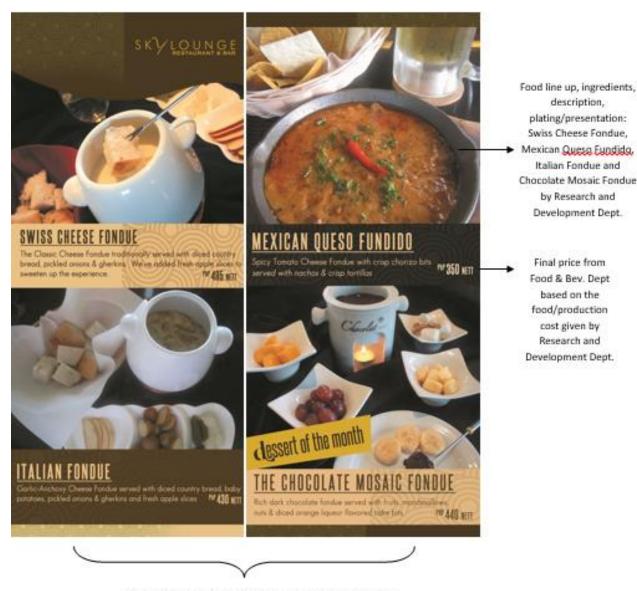
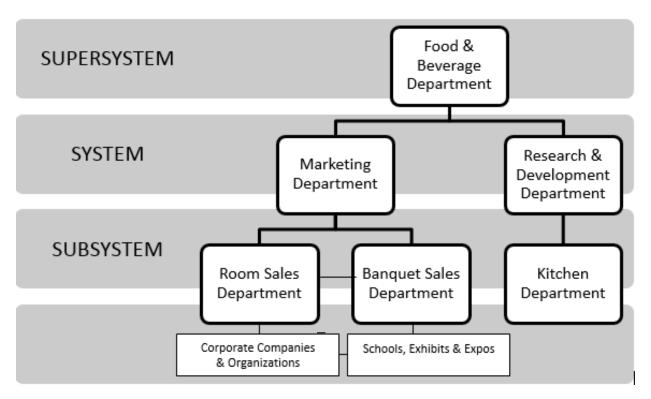


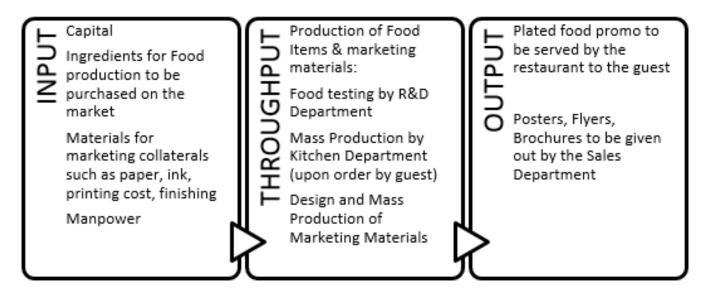
Photo shoot of food items, design, content and production of flyer by Marketing Department 3. Permeability – System components interact with the environment and within the system



The Room Sales and Banquet Sales Department go on sales blitz every day to promote the offers. They visit schools, organizations and companies and provide them with the establishment's sales kit which includes all services of the hotel. If the promo is for a Halloween or Easter event, the sales team will go to schools and invite the children, then, to companies and invite the parents to bring their children. For hotel facility discounts during business meetings or seminars, they approach organizations and companies. Since they go on sales blitz every day, the Marketing Department regularly checks their supply of promotional materials to see if they need replenishment.

Processes

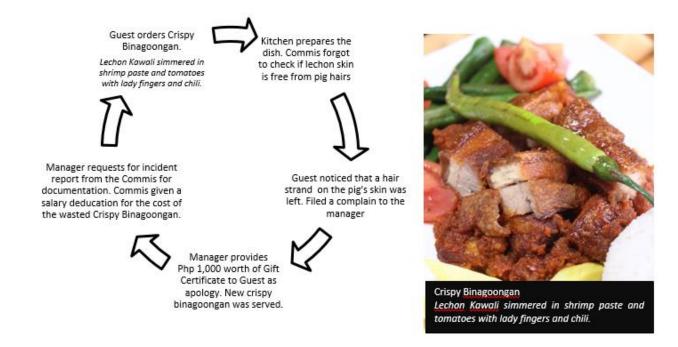
1. Exchange



2. Feedback

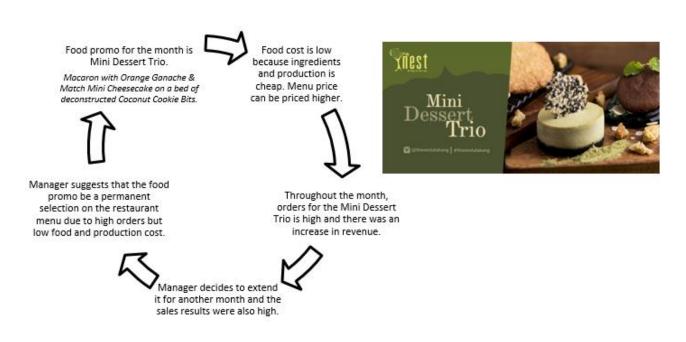
Negative Feedback:

The Research & Development Department trains the Kitchen on how to produce a food item from preparation down to plating. They do this in order to maintain quality from the taste to its presentation. As the Kitchen staff will be shifting its personnel to cover the 20 hour restaurant duty, everyone must know the standard preparation of a promo so it will not differ no matter who prepares it.



Positive Feedback:

The Research & Development Department creates a food promo and proposes it to the Food & Beverage Department for approval. Research & Development submits the line up of ingredients with cost as well as preparation procedures. Food & Beverage Department will compute the price to be advertised to guests to guarantee revenue.



System Properties

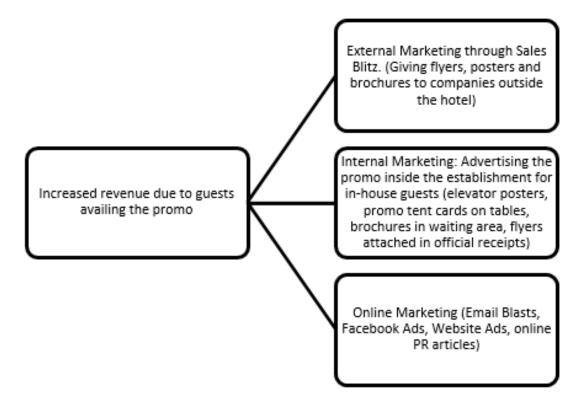
1. Holism

In planning a promo for the restaurant, the Food & Beverage Department, Marketing Department, Sales Department and Research & Development Department will meet to discuss what will be an effective offer for a special occasion or a regular month. As all departments have different backgrounds, there are plenty of ideas to discuss.

Example:

- The Sales Department will base their ideas on the suggestions of their clients during their sales blitz.
- The Marketing Department will base their ideas on what other competitors offer and other strategies to effectively promote the promo
- The Research & Development Department will suggest food items and menu line up based on the ideas being put forward
- The Food & Beverage Department will monitor the projected sales revenue on the ideas being presented and suggest the promo which has the highest revenue, lowest food cost and at the same time preferred by the clients.
- 2. Equifinality

In the Marketing Department, different strategies and marketing materials are used to reach the target audience.



3. Negative Entropy

Occasion-themed events are a great way to secure revenue since guests will be searching for establishments who offer a "special". An example is during the Oktoberfest –a month long celebration in October for alcoholic beverages. Oktoberfest celebrations originated abroad but since the Philippines have plenty of tourists and expatriates, we have adopted this celebration. In an area where there are plenty of restaurants and bar, establishments must offer a catchy Oktoberfest promo to level out the competition.



4. Requisite Variety

In the Marketing Department, an archive of competitor marketing materials or collaterals is kept to check the competitor's promos and how it was presented to the audience. The establishment then has to be flexible enough to adopt certain promos of its rivals that were successful while still keeping it original and can be called their own.

