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# Developing A Catering Sales Program

## **Abstract**

A successful catering sales program consists of developing and properly following up on three types of accounts: present, past, and new. Ray Hooks reveals a systematic approach to increasing business in catering sales.

## **Keywords**

Ray Hooks, Catering sales, Catering business, Sales leads, Sales system, Future business, Tickler

# Developing a Catering Sales Program

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*A successful catering sales program consists of developing and properly following up on three types of accounts: present, past, and new. Ray Hooks reveals a systematic approach to increasing business in catering sales.*

The object of a catering sales program is to increase future sales. But before starting an attempt to drum up future business, it should be recognized that the first sales contact is almost certainly going to be fruitless. Less than 5 percent of catering bookings are made on the first contact. It generally is not until the third, fourth, or fifth contact that an actual booking will be made. Thus, even if you do establish a good system of making sales contact, if you do not at the same time establish a good system for repeating those contacts, the initial effort will often be for naught.

Although it may seem like putting the cart before the horse, the first step is to establish the system for repeating the initial sales contact. It is a simple procedure for identifying and retrieving a sales account file at the appropriate time for a sales action. Some call it a tracing system and some call it a tickler. Whatever the name, it is the same simple process.

The system is established by creating a file for each and every sales account or new contact. For every file, prepare a 3 x 5 index card which lists the title of the corresponding file. Write data for recall on the card. Place the cards in the appropriate place in a 3 x 5 file drawer which has a series of date-listing division cards. If this means creating thousands of files and cards, you should count your blessings rather than fret about the additional work.

The file should have about 50 division cards, including one for each month, others numbered 1 through 31 for each day of the month, and dividers for the next five years.

Arrange the cards so that the first division card is for the current month. Behind it place the cards numbered 1 through 31. The other months, in chronological order, should be next. Last are the cards for future years. These cards and file can be bought at any office supply store for under \$10.

Whenever a file is created, the corresponding tracing card should

be dated for future recall. The card is then placed in the division for that particular month. At the beginning of the month the traces for the next month should be subdivided and placed behind the date on which they are to be brought up for action. This process is repeated month after month, year after year. Each time a new month is brought up, the division card for the last month is placed in the back of the file.

Once retrieved, no file should ever be returned to the file cabinet without a future trace date being marked on its trace card. The only exception to this primal rule is when a file is marked "dead." A file is considered dead only when it is no longer capable of being a future source of business. Generally these files will be for social events such as weddings and bar mitzvahs, or businesses and organizations that have moved or gone out of business.

Once you have established the tracing system, you are ready to pursue future business. There are only three possible sources of future business: present accounts, past accounts and new accounts. The good catering program will develop strategies to obtain maximum results from each of these sources.

### **Present Accounts are Best Source**

Present accounts are the best source of future business. Their present need for catered functions is very likely to be carried over into the future. It is much easier to turn a satisfied customer into a source of future business than it is to first find a heretofore unknown prospect and then persuade that prospect that your property will meet his needs better than other competing properties.

There are two categories of present accounts: those accounts which are merely inquiries and those which have already been booked for a function. Different approaches are needed for each category.

**The Inquiring Account.** The inquiring account is your hottest possible source of future business. This individual has a present need to book a catered function or he would not be inquiring. Since you already know he has a need, all that remains is to persuade him to choose your property instead of a competitor's. Your best strategy is to follow each inquiry until the function is either booked, canceled, or lost to a competitor.

There are three types of initial sales inquiries: telephone calls, personal visits, and letters of inquiry. A definite procedure should be established for handling each type of inquiry.

**Telephone Inquiries.** About 90 percent of your initial sales inquiries will come from the telephone. How you handle these inquiries can make or break your sales effort.

When the inquirer calls, ask for and record this information: the name, address and telephone number of the caller; the name and type of sponsoring organization; the type of event, i.e., a wedding

reception/dinner/dance, business luncheon, etc.; the number of people; how often the event is being held; and how did they hear about your property. Only after you have recorded this information do you ask for the proposed date of the function.

Periodically you should make telephone surveys of competing banquet facilities to see how they handle their inquiries and to obtain copies of their menus for comparison. It is amazing how often their first and sometimes only question is "What is the date of the function?" If there is a schedule conflict, they say "sorry" and hang up without another question.

Evidently they have never heard of repeating business. For most of us, the biggest bulk of our business will come from commercial accounts and social/business organizations. These businesses and organizations change very little from year to year and thus their needs remain basically the same from year to year. So if they need a catered function this year, there is a high probability they will need another one next year. If they were willing to consider your property this year, the only thing that may prevent them from considering you next year is your own carelessness in letting the inquiry get away without establishing a trace date for future contacts.

Once you have the appropriate information, try to answer any questions the inquirer has. Try to get him to visit the property and always send him menus and brochures. When the conversation is over, prepare a sales account file and trace card for eight to 10 days later.

When the trace date arrives, call the prospect ostensibly to check whether he received the menus. Eventually work around to asking him to come visit the property. If he needs more time for his deliberations, as will often happen when a committee is involved in the decision, establish another trace date and recontact him then.

With the exception of undesirable business, each and every inquiry should be followed to a logical conclusion. It must be either booked, canceled, or lost to a competitor. Even those functions that are lost or canceled should be traced for the next year.

Even a loss to a competitor can be turned to your advantage. Always ask the prospect why he chose the competing property. The most common reasons will be location, condition of the property, price, scheduling problems, and services offered. Record each reason and use the records to prepare a monthly, quarterly, and annual statement of causes of lost business. These reports can point to changes you need to make in your product offering.

**Personal Visit Inquiries.** The personal visit inquiry is almost a gift from heaven. Not only is this prospect actively seeking a place to have a function; he also thinks enough of your facility to have personally come by to inspect it. The only thing left to do is to get

him to sign on the dotted line. If you are to ever have a chance at a one contact sale, this will be it. Most personal visit inquiries will be for wedding receptions. Whenever a prospect arrives, always have him welcomed as warmly as possible. Serve coffee and beverages. It is important to create an atmosphere of hospitality in your sales office. If your sales office is cold and unfriendly, the prospect must wonder what his function will be like. If he gets a bad first impression, it is likely to be his last impression.

Ask the personal visit inquirer the same questions you would a telephone inquirer, making sure the last question is the date of the function. It seems that these inquirers always arrive at your busiest part of the day, but nonetheless it is imperative you make every effort to show them the property. If you can't do it, then have a secretary or even a bellman take them for a tour. A beautiful property is your best sales tool. A personal inspection is worth a thousand brochures.

When the tour is over and their questions have been answered, try to sell the function. If you are unable to complete the sale, trace the contact as you would a telephone inquiry. Follow up in the same manner.

**Written Inquiry.** Written inquiries will generally come from professional booking agencies. If this is the case, the best thing to do is to fill out their form and answer whatever questions they have asked.

Occasionally you will get a written inquiry from a business or organization. Answer the questions and send menus and brochures. Trace the inquiry and follow up with a personal call just as you would for a telephone inquiry.

Whether the initial inquiry is through a telephone, a personal visit, or a written inquiry, at one point or another a telephone call is almost surely going to take place. Make every effort to train your sales personnel in how to effectively use the telephone as a sales tool.

In most locations, the telephone company will send a training representative at no expense to you. These training sessions can be very helpful. They generally last one day and the price is certainly right. By effectively using your telephone, you can increase your sales by 10 percent or more.

**The Booked Present Account.** The account which has already booked a function with you is another dynamite source of future business. By definition of his having already booked a function with you, you know that he has a definite need for catered functions in your geographical area. Not only that, but you also have the chance to actually show him how well your functions are handled from beginning to end. If he walks away from his function with that "Wow!!" feeling, you will have already sold him on his next function. All that will remain is to sign on the dotted line.

The key to a successful catered affair is to make sure you deliver everything you promised and to deliver it on time. If you carefully explain exactly what is and is not included and then promptly and efficiently deliver it, then you have practically made your next sale.

Always contact the sponsor of the function after it is over to thank him for his patronage and to inquire as to his feelings about the function. Specifically ask him if everything was on time; if the food was what he expected; if he was pleased with the service; if he had any problems at any time; and if he has any suggestions as to how you might be able to improve your services. Record these answers and periodically analyze the results, as they may point to improvements that need to be made.

The last thing is to set up a tracing date. Ask when their next function is in your area. If there is no immediate plan for one, then set a date you think appropriate, even if it is a year or two away.

### **Past Accounts Hold Promise**

Past accounts are always a fertile field for future business. Since they represent a catered function already held at your property, their need is well established. You hope they have experienced the excellence of your services. All that remains to be done is to re-enlist them.

Going back at least three years, separate all of the old function files into repeat and non-repeat sources. Non-repeat files, weddings, etc., should be marked "dead" and placed in the inactive file. The remaining files should be organized into the tracing system for recall.

Most businesses and organizations tend to have their banquets at the same time every year. Plans are generally formulated 90 to 100 days in advance. So set up the trace dates for 120 days prior to the date of their last function. This will also space out the number of contacts to be made each month.

When you call, ask for the person who booked the last function. If he is no longer employed there, ask for the person who took his place. When you have the right person on the phone, tell him you are preparing a schedule of events at the property for the next year and naturally give preference to past customers. Since they are a past customer, you are contacting them to see if they would like to have the same time again this year.

If they do not want to have another function at your property, try to get them to tell you why. If they were dissatisfied with their last function, find out what went wrong. When you determine their specific complaint, thank them for telling you and hang up. (If you had called them after the function, you would already have this information and had a chance to correct it immediately.) Do not try to sell them a product they obviously do not want, at least not at this time. Regroup your forces. Try to turn their complaint into an asset. They have pointed out a deficiency in your product. You

should be grateful for at least now you have an opportunity to correct it.

About a week later, send them a letter thanking them for helping you improve your services with their suggestions. Tell them how you have taken steps to correct the problem. Emphasize again your gratitude to them for having taken their valuable time to help you improve your product with their constructive criticism. Without their help, the problem might have gone unnoticed and adversely affected your other business in the same way.

A week later, make a personal call. Personally thank them again for their assistance in improving your services. Ask if they have any other suggestions as to how you might make further improvements. Finally, ask them if they would like to see your improvements first hand by having another function with you. If they still refuse to give you another chance, trace them for the next year or two. Who knows, maybe your competition will disappoint them even more. Just don't give up.

### **New Accounts are Hard to Recruit**

This is the hardest and most expensive type of future business to recruit. To begin with, you don't know who they are and vice versa. That alone is a hard bridge to cross. But even if the finding process is successful, you still have to persuade them to choose your property over the competition. This also can be difficult. New business will be your least fruitful source of future business.

The best way to determine whom to target for your effort to recruit new accounts is to profile your past functions. Review for the past year and divide the sources into groups, i.e., weddings, bar mitzvahs, business meals, convention sales, etc. This will show you where your best source of business is likely to be and also may point to weaknesses in your sales mix.

If a great bulk of your business comes from business meals, that obviously shows a great demand for that product in your area. Target that area first because it will be easier to increase sales in an area where there is great demand rather than one where there is little demand.

Next, profile the past customers in your target area, i.e., determine if they are insurance companies, banks, business/trade associations, etc. The theory is that if you have 20 banks who regularly need catered functions, then probably the other banks in your area also need them. The problem is that they are having them at a competing property.

Make up your hit list from the yellow pages, the *Encyclopedia of Associations*, etc. Try to cross check your past accounts for duplications. For local sources, a telephone call is best. Ask for the meeting planner or banquet coordinator; then identify yourself and state you are making a marketing survey on the need for banquet



facilities in this area. Ask how many banquets his organization has in a year, their size, and generally scheduled time. Naturally, all this information is meticulously recorded for future use.

If there is a direct possibility of a big account, invite the prospect out to the property for lunch and an inspection. If it is a small prospect and you are busy, thank him for his time and send him brochures and menus. Also try to send something like a certificate for a complimentary bottle of wine at your restaurant. Needless to say, all of these prospects are put in the tracing system for future call up.

Your present and past customers can also become sources for sales leads. When you regularly contact your accounts, ask them if there are any other departments in their organization that need catered functions, or if they belong to groups that use them. Their answers can become very valuable leads to new business.

Newspapers are also excellent sources of sales leads. Engagement announcements are fine leads for wedding receptions. Newspapers will also give accounts of meetings held throughout the city. If there is a report of a function being held at the property across the street, a good followup program could lead to that function being held at your property next year.

It goes without saying that the most effective form of advertising is an ad in the yellow pages because that is where people look when they want to find banquet facilities in their area. When someone is shopping for a facility, he will seldom contact more than 10 catering facilities. If your yellow page ad is one of the 10 biggest, it will greatly increase the chances he will contact you about his function.

Newspaper ads are generally not cost effective in generating new business. More often than not, you will spend a dollar in advertising for every dollar you generate in new business. It is very hard to make money like that. If your advertising budget is bursting with unspent funds, ads might be taken in November for Christmas parties and in April for weddings. But generally you will be better off to use the money to send out sales reminders to established accounts.

Cheap advertising can be obtained by using press releases to announce upcoming events to local newspapers which generally will publish them if the space is available. Be sure to send press releases to the hometown of out-of-town groups. If they came here, there might be other accounts there who would also consider coming here.

The successful catering sales program must be geared around the knowledge that it will be the third, fourth, or fifth sales contact before a sale is likely to be made. Hence the program must organize itself to insure that these subsequent calls are automatically made. A tracing system is the backbone of any good sales office.

Your present accounts are your most likely source of future

business. Never let an acceptable inquiry end without a final resolution of booked, canceled, or lost to competition. Record and analyze your losses for clues as to how you might improve your product or sales effort. Treat your present patrons like gold and they are very likely to turn into gold in your bank account.

Past accounts are also good sources of future business. Often all that is needed is a phone call to let them know you are interested in having their business. Just that little effort may tip the scale in your favor rather than toward a competitor.

New accounts are nice and even necessary, but they are hard to find and take a long time to develop. Don't neglect your proven accounts to go after a pot of gold at the end of a rainbow that may not be there.

One last caution, if your sales department has been just taking orders instead of actively soliciting future business, don't try to push them too quickly. Your best bet will be to have them concentrate on developing the three sources of future business one at a time. When they are able to correctly handle present accounts, then and only then should they proceed to past accounts. New accounts should be solicited only when you are sure of being able to handle them properly.