

1-1-1985

## Take the "Con" Out of Consulting in the Food Service Industry

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### Recommended Citation

Zaccarelli, Herman E. Brother (1985) "Take the "Con" Out of Consulting in the Food Service Industry," *Hospitality Review*: Vol. 3 : Iss. 1 , Article 3.

Available at: <http://digitalcommons.fiu.edu/hospitalityreview/vol3/iss1/3>

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# Take the "Con" Out of Consulting in the Food Service Industry

## **Abstract**

Consultants can help a food service operator with almost any problem which needs solving. However the manager must "manage" the consultant. The author offers a design for planning for hiring and evaluating the work of anyone given the job of analyzing existing systems and diagnosing problems.

## **Keywords**

Take the "Con" Out of Consulting In the Food Service, Herman E. Zaccarelli, Consulting, Consultant, Owner/consultant contract

# Take the “Con” Out of Consulting In the Food Service Industry

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*Consultants can help a food service operator with almost any problem which needs solving. However, the manager must “manage” the consultant. The author offers a design for planning for hiring and evaluating the work of anyone given the job of analyzing existing systems and diagnosing problems.*

The world of food service management in the 1980s is just right for the consultant. It's difficult to make a profit in commercial operations and to hold the line on costs in the institutional sector. Big companies get bigger and generate intense competition; consumers demand greater value for the dining dollars they spend. The pressure caused by “DRGs” in health-care food service is unbearable and, of course, the advancements created by the computer are almost everywhere in our accounting/control/management systems.

It seems like only yesterday that a person with perseverance, lots of common sense, and a little money and luck could be successful in the restaurant business. Even today, the number of potential entrepreneurs entering the industry is dramatic — especially when the 90 percent or greater business failure rate is considered. Likewise, remember the long-tenured cook in the institutional operation who “fell into” a management position and handled the assignment successfully. This was a common occurrence then — but hardly a defensible staffing strategy today.

Our point is that the world in general, and the food service/hospitality industry in particular, is becoming more complicated. When we consider the vast number of specialized disciplines such as financial and personnel management, equipment layout and design, marketing, food science and preparation, etc., which impact on our operations, it's hard to imagine that one person — regardless of experience and education — can be a master of them all. In fact, the growth of for-profit contract management companies in the institutional sector can be traced, in part, to the team of specialists which they can assemble to design and implement operating systems for their accounts.

The consultant enters at this point into the scenario. Here is hope and help for the food service owner/manager who “has it all together” — except for some technical problems beyond his/her ability. Can't the

generalist manager get help from the specialist consultant — and can't the advice/counsel received be helpful in making the food service operation stronger and better able to meet its goals?

The answer to this question in many instances is a resounding “yes”; consultants can help an operator. The majority of consultants are honest, capable, and sincere. Most are professionals who place priority on and pride in their abilities to help and serve their clients.

Unfortunately, just as there are some “bad” food service operators or managers, there are also some consultants who are less than professional in their concerns about and relationships with their clients.

Examples of problem consultants abound:

- **the “experienced” consultant** — who really has misrepresented the similar situations in which help has been given;
- **the “salesperson” consultant** — who uses personality rather than knowledge and skill to win consulting assignments;
- **the “inventive” consultant** — whose new ideas are really a rehash of concepts which have been around for many years (or longer!);
- **the “exploitive” consultant** — who takes advantage of any situation in which personal goals become more important than those of the client;
- **the “tell it all” consultant** — who has no concern about sharing proprietary matters between accounts;
- **the “what the market will bear” consultant** — whose concern about fees has no relationship to time input, quality of workout, etc.

The list of “problem” consultants can continue. However, the point is that the wise food service manager must know how to manage consultants in much the same way as other resources (food and beverage products, labor, time, energy, etc.) are managed. In fact, most “problem” consultants take advantage of situations which could have been prevented if basic management principles had been applied.

If there are problems with a food service operation they do need to be fixed. However, what's a “problem”? And who should “fix” it? The answers to both of these questions really revert to the manager. Those professional food service operators who really know their systems understand exactly how much profit should be generated, what level of costs should be incurred, how many labor hours are required, etc. The definition of a problem is then stated as a gap between “what is” and “what should be.”

Likewise, the really effective food service manager recognizes that his/her role is to be that of an internal consultant; the food service manager is the expert in the operation and should be able to focus a wide range of skills, abilities, knowledge, experience, and common sense on the problem resolution task.

In today's complicated business world, however, the traditional internal consultant role may need to yield to the external consultant with specialized abilities. However, there should still be no question about

who is in charge; the manager — who has assumed responsibility and accountability for the operation — must manage the consultant.

### **Consultants Can Assist in Many Ways**

Depending upon levels of skills and abilities, consultants may be used to make recommendations helpful in

- resolving operating problems (controlling costs, responding to marketing concerns, etc.);
- designing new/remodeled facilities and/or production service systems (the use of consultants for this purpose is widespread and many firms specialize in these services);
- analyzing institutional operations to suggest the utility (if any) of contract management companies;
- developing feasibility studies, pro forma income statements, site analysis, financial structures, etc., for commercial food service firms.

Consultants can be found who can provide quality recommendations about almost any matter of concern to the food service operator. The primary concern is to locate a consultant who is qualified in the specific area of concern to the operation.

Frequently, a food service manager's past experience with a consultant influences the decision about further retention in current situations. Sometimes a consultant contacts the property to announce his/her availability. In still other instances referrals from others in a similar operation and/or representatives of professional associations provide a source of possible consultants. Information obtained at trade shows, in industry-circulated magazines, and even in the telephone book's yellow pages all can yield possible consulting assistance.

There is an obvious need for an effective relationship between the consultant and the food service manager. Among these are

- the need for mutual trust;
- close and effective communication;
- provision of all material facts to the consultant;
- a statement of specific objectives and planned accomplishments;
- an open, unbiased view about the situation, the need for a consultant, and the forthcoming recommendations;
- freedom for the consultant to study, work, and recommend without pre-determined conclusions;
- harmony among all affected management staff about the need for and role of the consultant;
- clear definitions about the authority, responsibilities, and duties of both the management team and the consultant;
- the availability of a contact person to represent the facility in its

relationship with the consultant.

### **Manager Must Control the Consultant**

The need for the food service manager to manage the consultant has been noted. The manager must be in control of and have input into the design of the procedures used by the consultant to yield recommendations. Let's look more closely at the process of managing the consultant.

#### **Step #1: Make Contact**

Possible ways to initiate contact with a consultant have been noted. Just as it is reasonable to make use of more than one supplier for required products, so should the wise food service manager attempt to consider more than one consultant.

#### **Step #2: Consider the Working Relationship**

Is an effective working relationship — so critical to the success of the consulting activity — possible? Does the consultant understand exactly what is required to solve the specifically stated problem? Does the consultant seem to understand the problem, the process to resolve it, and the methods required to implement recommendations once made? Do the consultant's ego, personality, credibility, capabilities, and interests seem to mesh with those of the food service manager? What has been the experience of references provided by the consultant about the working relationships which have evolved? These and a wide variety of other information stemming from conversation, observation, and discussion with past/current clients of the consultant should help answer the question: "Can I get along with the consultant?"

#### **Step #3: Use a Consulting Contract<sup>1</sup>**

A formal contract should generally be utilized to note briefly the reason for which the consultant has been retained and the expected outcomes of the consultant's efforts. When possible, these outcomes should be quantifiable and thus measurable. Of course, the outcomes can be considered the formal objectives that are to be the focus of the consultant's efforts. The contract should also:

- delineate responsibilities of both the property manager(s) and the consultant(s);
- specify the amount of time and effort that the consultant will allocate to the project;
- suggest points at which progress will be evaluated and points at which decisions regarding continuation or termination of the project will be made;
- specify the time of project beginning and, if carried to its conclusion, the time of project termination;
- clearly specify payment amounts and schedules;
- indicate project deliverables, with specified formats when applicable;

- specify what, if any, project follow-up activities are judged necessary, e.g., post-project evaluation, report write-up, or staff training;
- identify other contractual concerns and understandings, such as time frames for contract cancellation, assurance of administrative and staff cooperation, and any limitations to the consultant's authority.

Other techniques may be utilized in the development of a consulting agreement. The food service manager might develop a rough draft of the contract document that can be discussed, considered, and amended after both the facility and the consultant have studied it. A small pilot project that is part of the general project may be undertaken before a larger project is negotiated. This provides both the food service manager and the consultant with an opportunity to consider whether a long-term, more involved relationship is desirable. The food service manager is advised to seek the advice of competent legal counsel as a consulting agreement is negotiated (See Exhibit 1).

### **Exhibit 1 Provisions of Concern in Consulting Agreement**

While specific consulting agreements are obviously necessary, the following concerns can typically be addressed:

- express purpose of retaining consultant
- expectations of food service operation
- responsibilities of food service operation
- responsibilities of consultant
- time/resources proposed by the consultant to be spent on project
- specific tasks (with completion date, intended accomplishment, and payment required for each)
- beginning and concluding dates for consulting project
- payment details (date(s) of payment, amount(s), statement of allowable and nonallowable expenses, anticipated costs for travel and related expenses, maximum level of travel and related expenses, etc.)
- description of deliverables to be provided by consultant
- follow-up activities, if any, to be provided by the consultant
- miscellaneous concerns and understandings applicable to the contract
- signatures/dates/witness information

#### **Step #4: Begin the Consulting Activity**

After preliminary assessments of working relationships, capabilities, and desires, and after completion of contract negotiation, the consulting task can begin. It is important that those matters included in the consulting agreement be studied in detail. It is very unlikely that the consultant will have spent any concentrated time in problem analysis or

planning before a contract is signed, since there is no assurance that he or she would be assigned the project and no fees to justify the input of consultant resources would have been paid.

Detailed plans that complement the project outcomes and task points specified in the consulting agreement must be developed. Normally, with input as desired and/or required by the food service manager, this task is the responsibility of the project consultant who generally develops the who, what, when, and how of project conduct within the limitations imposed by the agreement.

The consultant, in the process of analyzing problems and proposing solutions, must take it a step at a time. When possible, feedback is provided by the food service manager. Evaluation at each point specified in the consulting agreement is useful in ensuring that problems hindering project completion are resolved and that new courses of action are taken when necessary. It also helps to keep the manager and the consultant aware of the other's current activities. Additional resources, if necessary, are focused on the project at the most opportune time. As successive tasks are completed, the manager should become increasingly confident that project outcomes are in harmony with project plans or, at least, know why programs should be revised for systems improvement.

Criteria that determine the role to be played by a consultant include the following:

- **The contract.** A formal, structured contract will specify the exact tasks, which then dictate the required role; an informal, unstructured contract permits a varied role.
- **Project goals.** Outcome requirements of the project may suggest, if not specify, how the consultant should perform required tasks.
- **Values of the food service manager and the consultant.** As values of the two parties increasingly differ, a consultant frequently attempts to play a more directive role in the project.
- **Personal limitations and feelings of the consultant.** To the extent possible, a consultant will attempt to view the required role to be that in which he or she feels most comfortable.
- **Prior experience.** There is a tendency to repeat roles that have been successful in the past.
- **Internal/external concerns.** Internal consultants generally have fewer options and more limited roles than do consultants brought in from outside the organization.
- **Events that occur as the project evolves.** Both the food service manager and the consultant must be able to recognize when project results suggest or require a different approach that may dictate different roles.

#### **Step #5: Complete and Terminate the Consulting Project**

It is critical that solutions and project findings stemming from consulting projects be implemented. Often even after only short run

changes have been incorporated, the facility seems to regress to pre-consultant project status. Alternatively, changed systems are often counter-attacked with alternate proposals, often aimed at compromise. The food service manager can take several steps to insure that effective consultant input is utilized. The project results can be compared to the anticipated project outcomes, as stated in the consulting agreement.

Assuming there have been no sidetracks (as can occur, for example, when the real problem, and hence solutions to it, is not one initially envisioned by either the manager or consultant), the project conclusion should yield considered, professional answers or, at least, alternatives to problems of concern to the manager. The manager should not be subjective or biased (e.g., "We've paid for the advice; now we're going to use it," or "That's too different from what we're used to doing"). Input and deliverables from consultants should be measured against the experience and common sense of the manager and other facility personnel affected by the outcome of the consulting project.

It is often helpful for the consultant to provide follow-up input. If, for example, ideas are proposed and implemented, a later time may be set aside to analyze results or suggest appropriate remedial action, if necessary. Project follow-up must involve affected personnel. An explanation and a justification of changes that are being implemented are necessary. Likewise, staff members must be trained in new procedures.

Project termination is at least broadly defined by the consulting agreements; usually, it is the time at which specified outcomes have been attained to some minimally specified level. The food service manager must know when, in fact, the project is satisfactorily completed.

Before placing a consultant on a retainer fee, which provides continued, specified access to the consultant, the manager must be overtly convinced that it is in the best interests of the property. Most frequently, retention of a consultant on an ad hoc, rather than retainer, basis is in order. This is especially so if one aspect of the project termination process is the training of personnel at all levels to work within the newly-structured system.

### **Role of Consultant Differs As Project Evolves**

The consultant can play many roles as the consulting process evolves.<sup>2</sup> It is very important that both parties understand what is desired and how it can best be achieved. If this is understood, the role that the food service manager desires the consultant to play will be the same as that which the consultant perceives to be best and which will, in fact, be most expeditious to project completion. Possible consultant roles include:

- **Fact finder.** An external consultant can often discover in the analysis process facts that been overlooked by internal staff who are too familiar with the environment to see problems.
- **Educator/trainer.** The consultant must often introduce new con-

cepts and systems and must train affected staff.

- **Diagnostician.** A consultant must be an expert in analyzing existing systems and diagnosing problems.
- **Linking pin.** The consultant must often link the facility needing assistance with external resources required to resolve problems.
- **Leader/partner.** Occasionally, food service managers delegate project direction to the consultant, and the latter must assume a leadership role. A more appropriate role for the consultant is that of partner. The parties should work together to define problems and subsequently to resolve them.
- **Follower.** The food service manager may attempt to utilize a consultant to endorse or confirm pre-conceived ideas. This consultant role is unproductive; consultant fees are not well spent if the findings are already known.
- **Advocate.** In this role, the consultant is brought in so that an outsider can tell the staff what to do. When the food service manager asks the consultant to play a leader's role, he/she is abdicating responsibility. Consultants may wish to advocate selected dietary program goals and/or methodologies to attain them, but his input should be considered, not automatically accepted. It is generally not wise for a consultant to be considered a third part mediator.
- **Information specialist.** The consultant, with specialized knowledge applicable to the problems at hand, is engaged to provide and apply this knowledge and experience to the project. A consultant traditionally brings from the outside ideas, experience, and applications that are unfamiliar to the food service manager. In effect, the consultant is asked: What do you see to be the problem? What methods are available to resolve it? What do you suggest? Why? In this role, the consultant's tasks are clearly understood.
- **Objective observer.** The consultant serves as a sounding board to ideas and matters presented by the food service manager. Input, when requested, is provided, but the role is essentially non-directive; clients reach their own decisions at their own pace.

### **Consulting Effectiveness Must Be Evaluated**

The food service manager must be able to assess the cost-effectiveness of the consultant's input: Was the assistance that was received worth the cost?<sup>3</sup> The ease of consultancy evaluation correlates with the way in which outcomes of the consultant relationship were expressed in the consulting agreement. For example, an outcome stated as "help determine whether a food management company should be retained" might be better stated as "provide an analysis of economic and quality differences among three alternative dietary delivery systems, along with, from the facility's perspective, a comprehensive report of advantages and disadvantages to each plan. The report will focus directly on the extent to which the five primary

dietary goals will be attained with use of each alternative.” It is obvious that it is easier to evaluate consultative effectiveness objectively when the second outcome has been used to identify expectations of the project. Likewise, a detailed statement of project outcome is helpful in indicating exactly what the consultant must do in order to reach the desired outcome.

Simply put, consulting effectiveness is evaluated by the degree to which expressed outcomes are fulfilled. The way in which the quality of consultant output is to be measured is ordinarily addressed at the time the original decision is made to retain the consultant. Food service managers accept the output and must apply their own analysis of results when making the decision to accept or reject the decision. Likewise, the quality of consultant deliverables is subjectively judged by the manager’s perception of its merit.

Other factors that can be utilized to evaluate the consultant’s efforts include the following:

- **Review of the client-consultant relationship.** More positive evaluations will result when the relationship is positive.
- **Evaluation of consultant input activities.** Documents, such as those presented at meetings and training sessions conducted by the consultant, provide a measure of the worth of consultative assistance received.
- **Consideration of progress.** Did the consultant reach intermediate objectives, adhere to schedules, and modify plans as intermediate evaluation warrants change?
- **Economic and time concerns.** Did the consultant provide input on a required timely basis (when applicable)? Were cost estimates (e.g., fees and expenses) reasonably accurate?
- **Analysis of behavioral changes.** Are they positive or negative? Have the systems, procedures, and personnel touched by the consultant been improved as a result of consultant actions?

Unfortunately, a subjective reaction by the food service manager toward the consultant and the quality of the consultant’s work is frequently the only evaluation technique used. Even when other factors are considered, a great amount of weight may be placed upon this appraisal, which may relate primarily to the manager’s perception of the relationship with the consultant.

The task of managing the consultant involves significantly more than hiring and waiting for results. In actuality, many activities which will dramatically affect the outcome of the consulting effort are necessary and integrally involve the food service manager:

- contacting potentially helpful consultants;
- selecting a consultant;
- developing and negotiating a consulting agreement;
- maintaining the consultant’s performance;

- evaluating the cost effectiveness of the consultant's recommendations.

If the above list of activities seems difficult and time-consuming, it should — because it is! Each of the activities is also very necessary to assure the best possible outcomes.

Likewise, the last step noted above (evaluating the consultant's recommendations) is really the first step in implementing/using the consultant's output to address the reasons why the consultant was originally retained; and all the work which follows is typically the responsibility of the food service manager.

To take the "con out of consulting," the food service manager must approach the need for and use of a consultant in exactly the same manner that all other management decisions are made: Will the goals/objectives of my food service operation be better attained if the "right" consultant is hired? If the decision is affirmative, the consultant must be managed by the food service official. Use of the techniques/procedures outlined above will help yield cost-effective benefits to the property as consulting services are utilized.

**NOTE: This article was published by Purdue University as a report and is available from the Educational Resource Library; Restaurant, Hotel and Institutional Management Institute; Steward Center; Purdue University; West Lafayette, IN 47907 for \$10.00.**

### References

<sup>1</sup>Discussion about this and the following two steps is taken from: Herman E. Zaccarelli and Jack D. Ninemeier, *Cost Effective Contract Food Service: An Institutional Guide*, (Rockville, Maryland: Aspen Systems Corporation, 1982), pp. 174, 178, 179.

<sup>2</sup>*Ibid.*, pp. 178-179.

<sup>3</sup>*Ibid.*, pp. 179-180.