

Effective Management

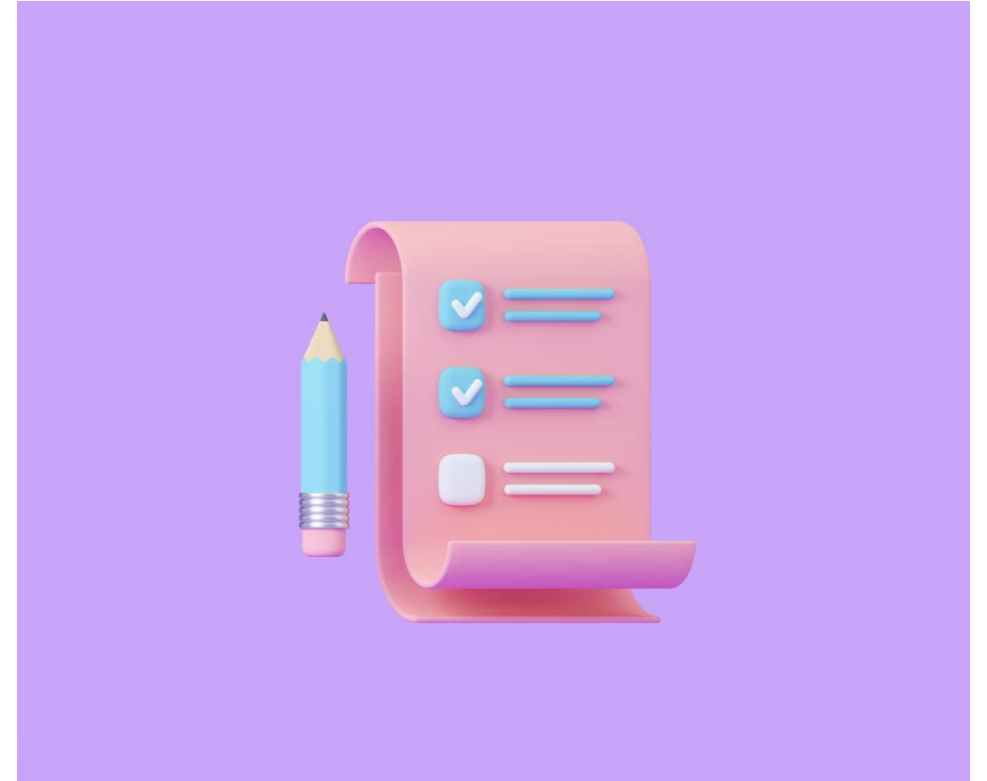
BMGM4000

Week 10: Financial Terminology

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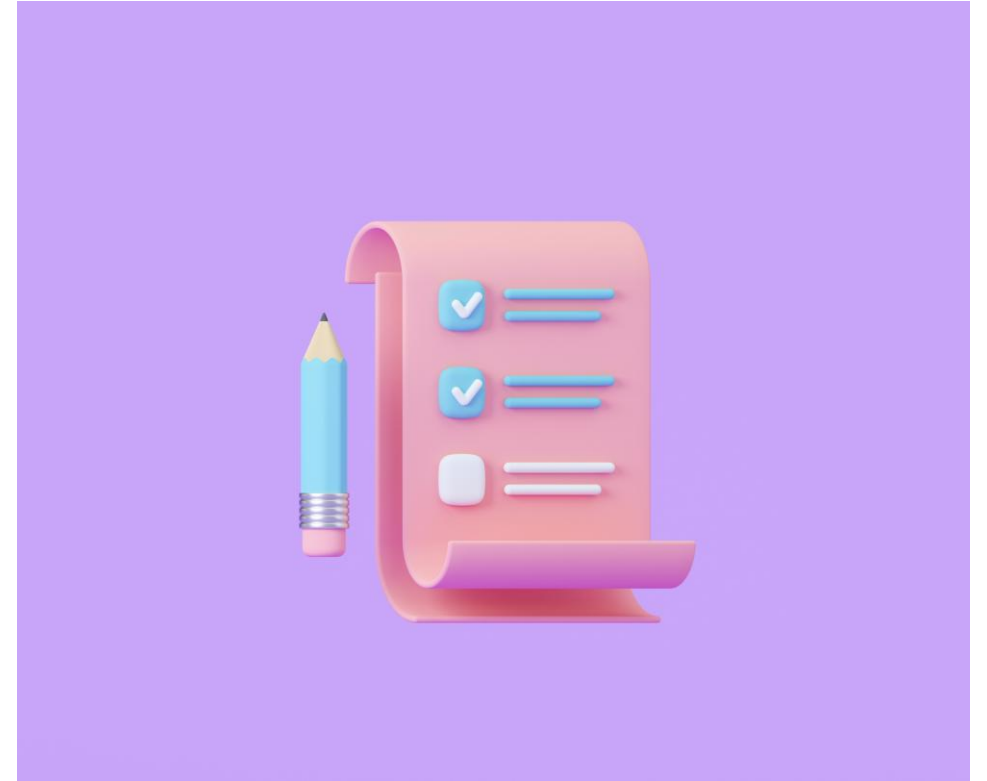
Agenda

- Introduction to Financial Terminology in Hospitality
- Recognising your marketplace
- Assignment recap



Recap of last week

- The Importance of Teamwork
- Elements of Effective Teamwork
- Conflict Resolution



A successful leader should...

- Address issues early – conflict is unlikely to disappear, get ahead of it before you have a bigger issue. Create a culture where the team can safely speak up.
- Listen actively – do not interrupt, do not judge, consider points fairly and fully. Consider paraphrasing comments to confirm understanding.
- Identify why as well as what - Don't focus on what the conflict is, but why it has arisen. Identifying the why will assist in finding a solution.
- Remain neutral – deal in facts, do not allow personal opinions to interfere.
- Bring in another neutral party if required – e.g. HR to help facilitate discussion and aid with brainstorming solutions.
- Clarify – conflict can arise from confusion, reestablish facts.
- Follow up – revisit conversations to ensure resolution remains in place.



Activity

Watch the video and answer the questions below:

- What went wrong?
- How was the conflict handled? Was it ineffective, effective, or both?
- Was there a resolution? If so, what was it?
- What needs to happen moving forward?





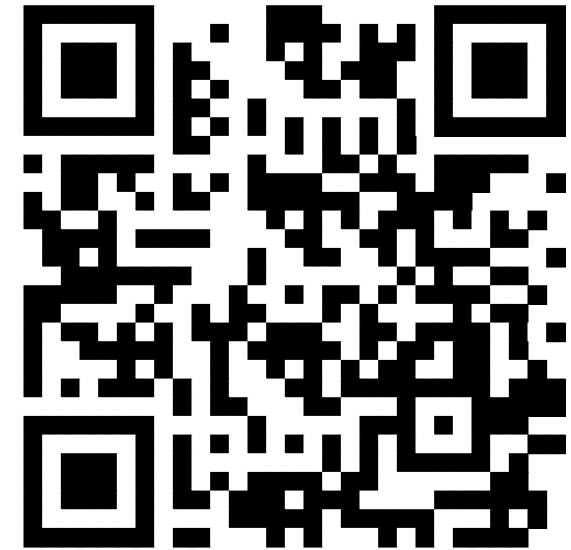
Introduction to Financial Terminology

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3/2

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Question slide

Why would International Gastronomy
Management students need to know about
finance?



3

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Preparing Results

Why would International Gastronomy
Management students need to know about
finance?

budgeting

risk management
success
strategic planning stock
less risks
controlling costs grants
fiscal health taxes
long term pricing
financial management
market trends ownership of kitchen

What is Financial Management?

- Applying concepts of management to **budgeting, forecasting, managing, and controlling a company's financial resources** to achieve its objective.
- Aims to **maximise investors' profit.**
- Aims to **optimise the use of money.**
- Concerned with all areas of the business connected to **profits, expenses, cash and credit.**



Financial Elements



Corporate or Business Finance

- Short and long-term operations.
- Using capital to increase shareholder wealth.
- Keeping the business running & minimising risks.
- Requires the ongoing monitoring of financial statements.

Investments

- Acquiring assets.
- Can be short or long-term.
- Requires careful analysis of risk versus reward.
- Designed to drive profits & ensure business sustainability.

Financial Elements

International Finance

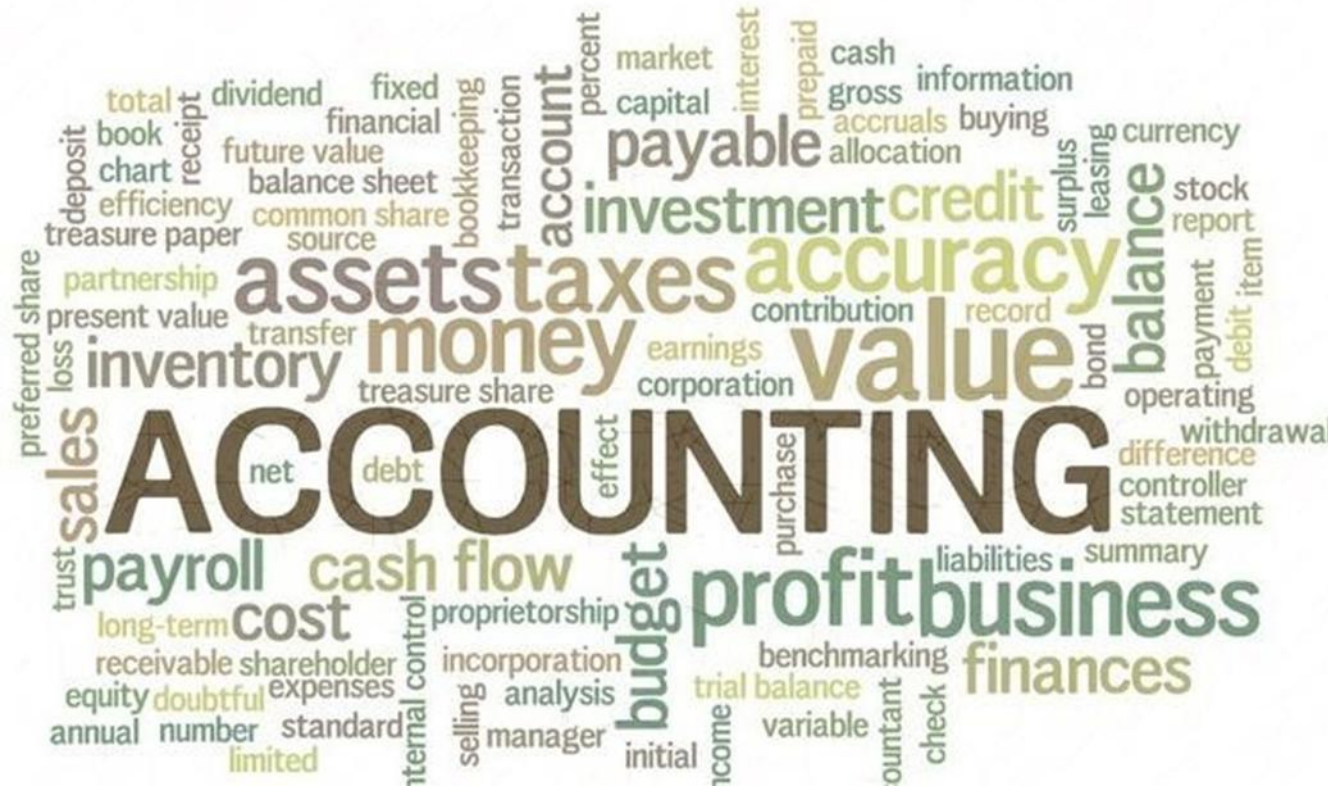
- Financial relationships across countries.
- Rules and customs that govern the movement of money.
- Money management on a global scale.
- Concerned with exchange rates & international policies & agreements.



Financial Institutions

- Insurance companies.
- Brokerage firms.
- Banks – commercial & investment.
- Credit unions – savings/loans etc.

Working through the jargon...



[Jargon Buster - Financial Terms](#) | [Morgan Stanley Careers](#)

*Welcome
to
Finance
Where everybody
counts!*

**Worth a read in
your own time!**

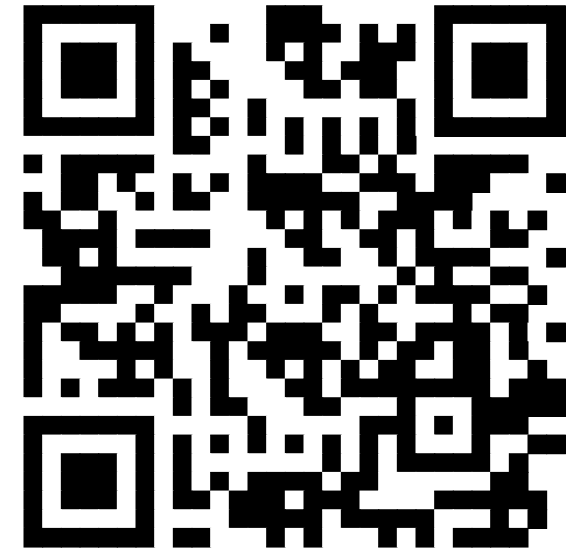


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What is an asset?

A business debt

0%

Something owned by a business

0%



3

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Preparing Results

What is an asset?

A business debt

0%

Something owned by a business

100%



What is a liability?

A liability is the profit earned by a company.

0%

A liability is something that the business owes money for.

0%



3

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Preparing Results

What is a liability?

A liability is the profit earned by a company.

0%

A liability is something that the business owes money for.

100%



What is equity?

Equity is the money a company borrows from lenders.

0%

Equity is the value of the owners' stake in a company, equal to assets minus liabilities.

0%



3

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Preparing Results

What is equity?

Equity is the money a company borrows from lenders.



33.33%

Equity is the value of the owners' stake in a company, equal to assets minus liabilities.



66.67%

Let's break it down...

FIXED ASSETS

Purchased by the business for continuing use: land, buildings, equipment etc.

CURRENT ASSETS

Short term assets that a business anticipates will be turned into cash within 1 year: event invoices awaiting final payment, inventory (food & drink stock), short term investments etc.

INTANGIBLE ASSETS

Assets that hold no physical value for a business: trademarks, patents, branding etc.

Let's break it down...

CURRENT LIABILITIES

Short term debts that a business must settle soon: short term loans, utilities, wages etc.

LONG TERM LIABILITIES

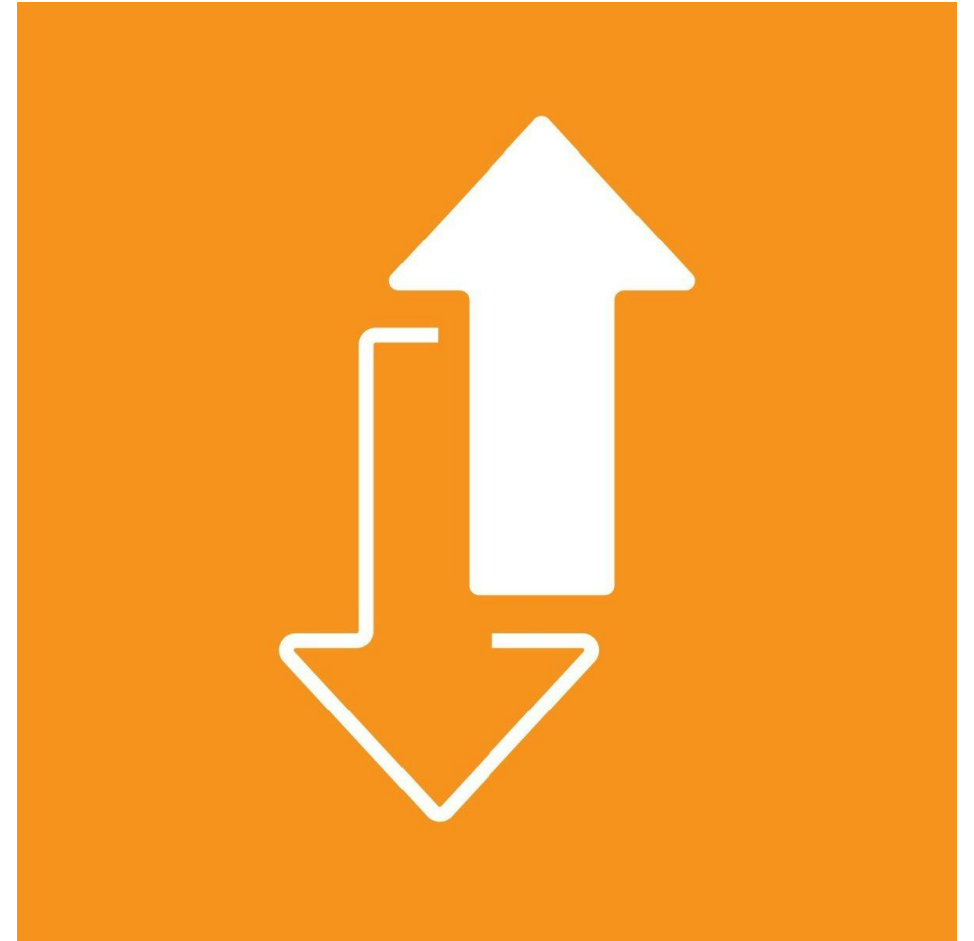
Longer term debts that a business does not need to settle soon: long term loans, long-term lease obligations or mortgages, equipment financing plans etc.

Income Statement/ Profit & Loss account

An analysis of money in and money out.

Includes:

- Turnover (all income)
- Staff (wages)
- Non-pay costs (anything other than wages)
- Gross profit (money left after goods sold)
- Net profit (profit after all costs)



Also called gross revenue:

- The amount of money your business makes from selling your products/services during a fixed time.
- Found at the start/top of your income statement.
- Will detail a specified time: month, quarter, year.
- Businesses aim for top line growth as this shows increased sales/revenue.
- The higher the total the more the business is growing.

Total Revenue





Break



Recognising your marketplace

Identify Market Positioning

Once you identify your position you can determine how to influence your consumers regarding your brand or products/services.

The objective is to stand out against your competitors and obtain/retain the market leader positioning.

Segment by Ave. Rates	Luxury	Upper Upscale	Upscale	Upper Midscale	Midscale	Economy
Marriott Group (USA)	BVLGARI HOTELS & RESORTS THE RITZ-CARLTON® JW MARRIOTT	RENAISSANCE® HOTELS MARRIOTT	COURTYARD® Residence Inn® SPRINGHILL SUITES®	FAIRFIELD INN & SUITES® TownePlace SUITES®		
Hilton World-wide (USA)	WALDORF ASTORIA® CONRAD HOTELS & RESORTS®	Hilton HOTELS & RESORTS EMBASSY SUITES®	DoubleTree® Hilton Garden Inn® HOMEWOOD SUITES BY HILTON®	Hampton® HOME2 SUITES BY HILTON®		
Accor Group (France)	SOFITEL HOTELS & RESORTS	pullman HOTELS AND RESORTS	Mercure HOTELS NOVOTEL HOTELS	adagio aparthotel	ibis HOTELS	hotel F1

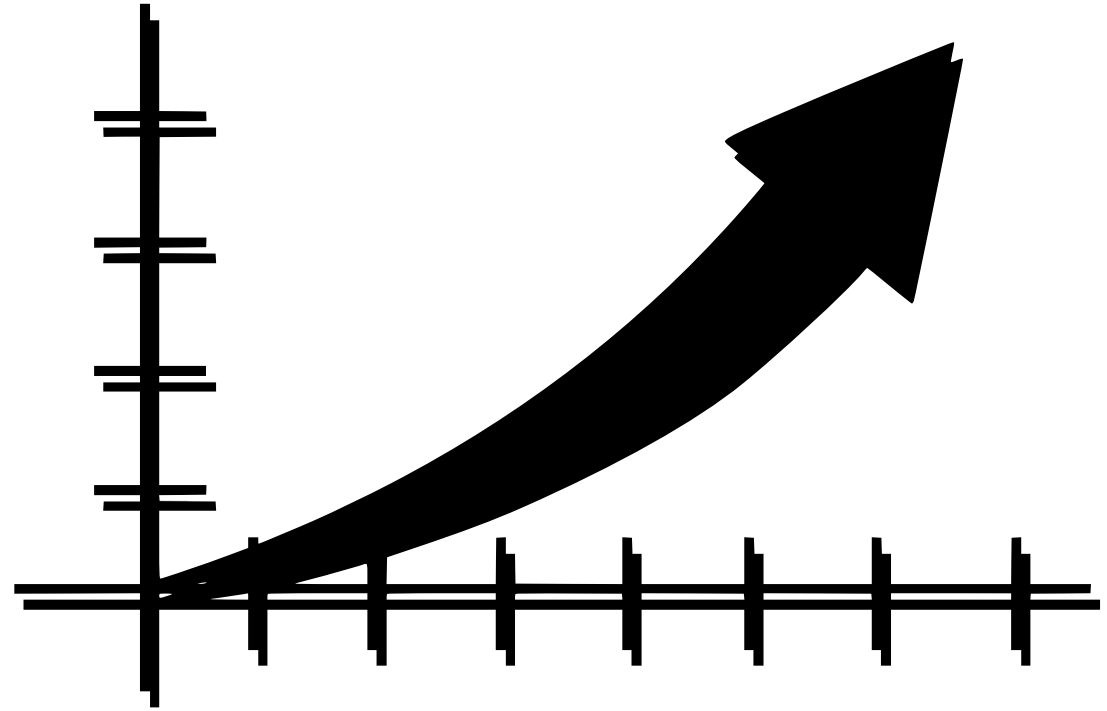
Let's build on this...

A hotel is one type of outlet in the hospitality sector, what others can you think of?

Market Positioning In Practice

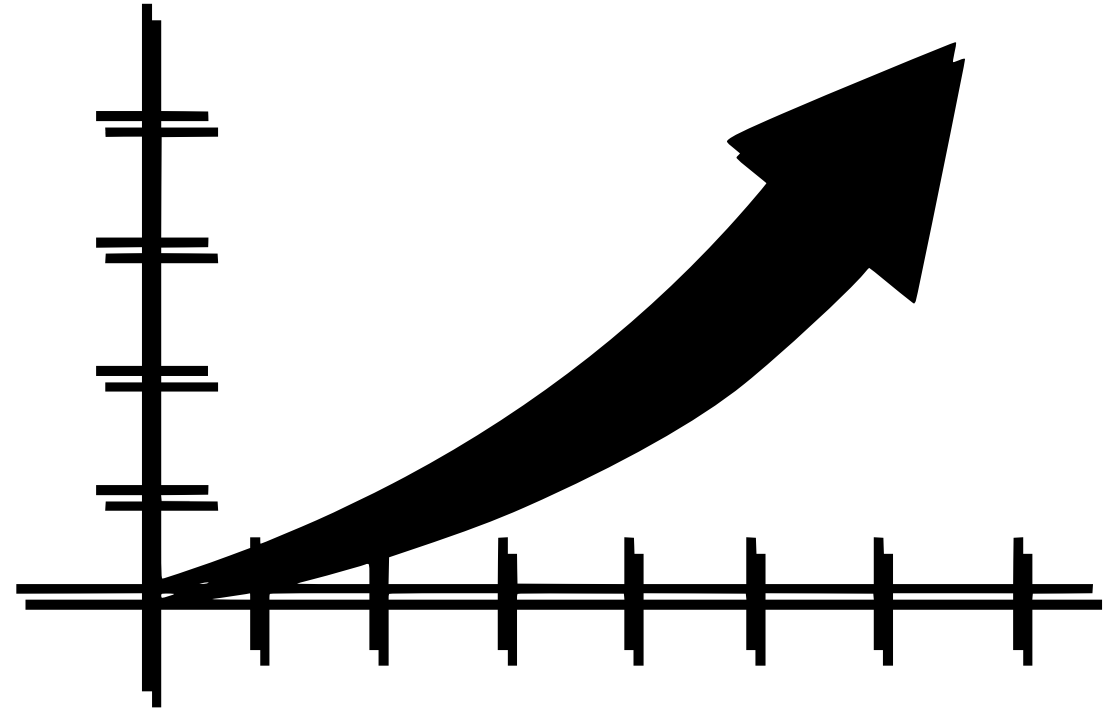
Once you identify your position you can determine how to influence your consumers to increase brand loyalty and entice new customers.

The objective is to stand out against your competitors and obtain/retain the market leader positioning.



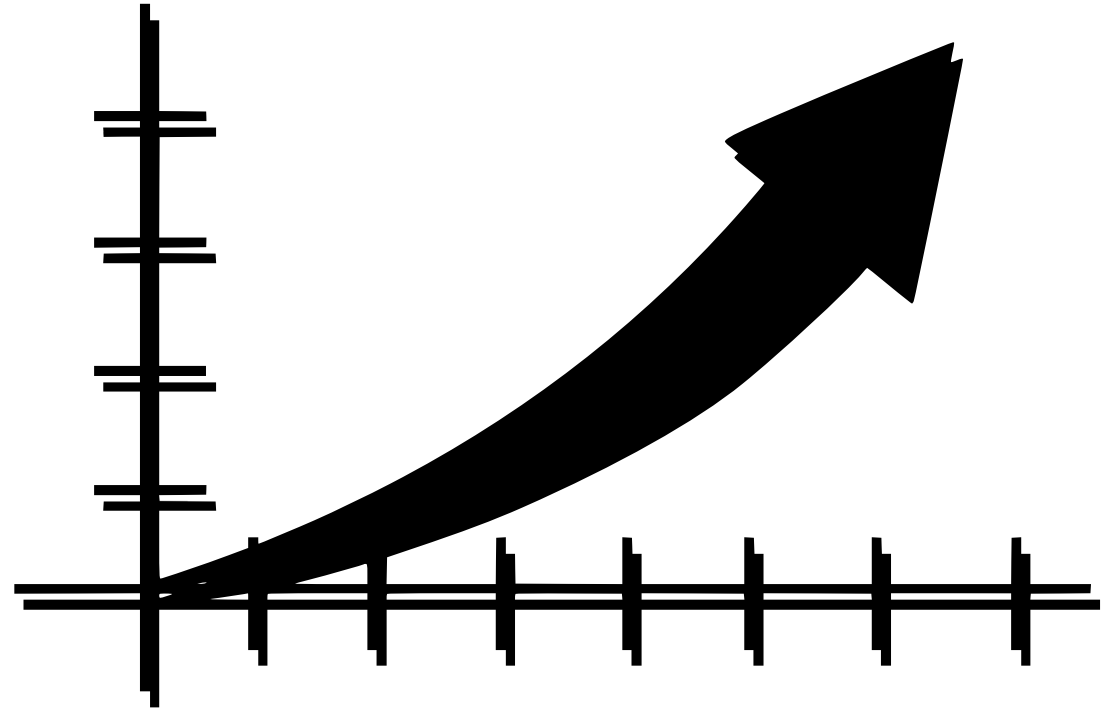
Market Positioning In Practice

- Identify your **target customer(s)** – age, income, lifestyle etc. Who wants or needs your business?
- Understand your **industry** – hospitality (any sub-sections?)
- Identify your **competitors** – what makes them successful?
- Appreciate **market trends** – seasonal changes, economic conditions (cost of living) etc.



Market Positioning In Practice

- Identify **market size** – how big is your customer base and where are they located?
- Outline your **USP** – what makes you stand out against competitors?
- Consider **delivery of services/products** – online, in-person, walk-ins, pre-bookings, large or small events?



Let's build on this...

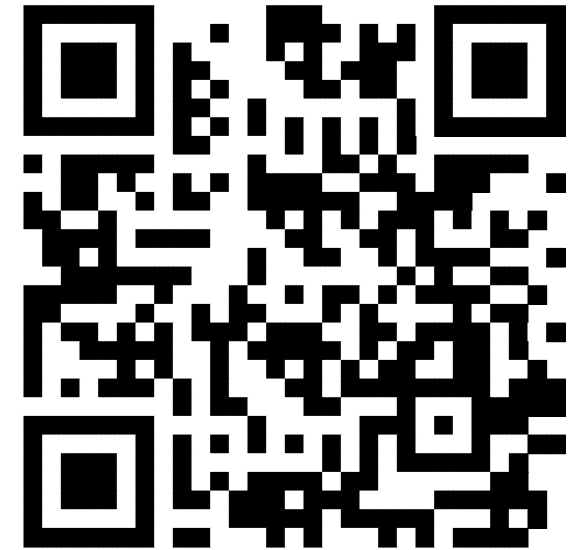
**Consider your
placement or place of
work and outline their
market position**

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How can an effective manager contribute to market positioning?





How can an effective manager contribute to market positioning?

continuous feedback
quality control reliability
tracking the customr
social media strategic leader
motivation hiring and training
consistency watch trends
reviews analyze competition



Assignment Recap

Task1 : Portfolio– 2000 words (+/- 10%)

Portfolio – A case study of XXX Restaurant

Background

Understanding Organisational Structures and Management in Hospitality

Businesses across the hospitality industry operate with varying management and organisational frameworks. A well-defined organisational structure plays a critical role in effective management. As emerging professionals in hospitality and service management, you will be expected to identify and evaluate essential skills that enhance internal communication and contribute to strong and effective leadership.

This task requires you to investigate and analyse how a Food and Beverage (F&B) Director can engage team members across four key areas within the F&B department of a large hotel.

Section 1 – Restaurant and Kitchen Structure

Section 2 – Standard Operating Procedures (SOPs)

Section 3 – The Role and Importance of Leadership

Section 4 – Employee Characteristics and Management Strategies

Key Considerations:

- Examine the impact of organisational structure in both the restaurant and kitchen settings
- Evaluate the benefits and limitations of systems such as the Brigade and hierarchical models.
- Define the concept and purpose of Standard Operating Procedures (SOPs).
- Assess the advantages and disadvantages of SOPs in daily operations.
- Explore the influence of management styles and leadership approaches in the workplace.
- Discuss the relevance of personality profiling tools, such as the MBTI test, in managing diverse teams.
- Analyse how employee personality traits interact with various management methods.
- Include examples from a chosen restaurant to support your points.
- Reference real-life industry practices and case studies where appropriate.

Structure - ESSAY:

Cover Page

You must present your essay with a cover page; this needs to include:

- The module title and module code
- The title of the Portfolio
- Your name and student number
- Your lecturer's name
- Submission Date

Introduction (around 10% of your word count)

This is where you will explain what the portfolio will be looking at, whilst also defining key terms appropriate for your portfolio.

Main body (80% of your word count)

This is where you will review the four sections using relevant literature to support your work. This section will contain several paragraphs and should flow nicely from one section to the next (the golden thread).

Conclusion (10% of your word count)

The conclusion contains no new material. Summarise your findings, highlighting the benefits of engagement within the hospitality industry. As this is a portfolio, it must be structured accordingly with **no section headings or contents page**, each paragraph should flow nicely from one section to the next.

List of References (Not included in word count)

You must use credible sources for your research including those from the reading list. This also includes online sources, textbooks, media and industry journals to support your essay. This is a 2000-word paper and so you need to include 20 sources as a minimum. These must also be inserted as in text citations, to support your writing. You will be

assessed on your ability to synthesise knowledge, to develop an understanding of the subject you have chosen, and how you have been able to present this idea in words within this supporting paper.

Microsoft Word Settings:

Please use:

Arial Font 12

1.5 Line Spacing

Justified Text

[Harvard Referencing Handbook](#)

[Allowable Uses of AI » Hub](#)

[AI Acknowledgment Guidance » Hub](#)

Any Questions?



Christmas Break!

Next class –
15/01/26

