

Hospitality Operating Ratios Lesson Outline

Goal	There are some key ratios used to calculate main operating costs in hospitality. These operating costs include food costs, labor and beverage costs. The goal of this lesson is to examine the basic operating costs in detail and understand the key operating ratios for daily reports.
Objectives	At the end of this lesson students will be able to: <ul style="list-style-type: none"> • Define the main operating costs • Understand the difference between these main operating costs • Apply key operating ratios
Length	This lesson will take approximately two 2-hour sessions to complete.
Content outline	<ul style="list-style-type: none"> ➤ Food Costs ➤ Beverage Costs ➤ Labor Costs ➤ Contribution Margin ➤ Key Operating Ratios ➤ Key Operating Ratios for Daily Reports ➤
Learning Activities	Learners will engage in the following activities for this lesson <ul style="list-style-type: none"> • <i>Examples</i> – Have students do exercises on how to calculate food, beverage and labor costs. • <i>Group/Individual Projects</i> – By giving students some background information on an operating business, the students can be asked to calculate the operating costs of that business.
Evaluation Strategy	Students' mastery of this content may be evaluated through individual/group projects, exams, and quizzes.