

Managing Operational Quality and Cost Control in On-Site Food Services and Hospitality Services

An effective incentive program rewards or penalizes the on-site contractor for operational and financial performance works best.

NEW YORK, USA, August 13, 2020 /EINPresswire.com/ -- "Insurance premium payments are the

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The best way to ensure your on-site services are excellent and efficient is by rewarding or penalizing performance.”

Tom Mac Dermott, FCSI

only money you hope to waste,” says Tom Mac Dermott, president of Clarion Group, a [food service](#) and hospitality services consulting firm. “No one wants to find out whether the fire insurance really does cover all your losses. Otherwise, you want money, both personal and at work, to be spent prudently and productively.”

That applies to the contracted services at your company,

campus, government agency or other institution, he says. Whether your student or employee food service, catering and other hospitality services are managed on a “P&L” basis (contractor has all financial risk) or “cost-plus-fee” (client has all financial risk) or some variant, it makes sense that the services should fully meet your needs and standards in terms of quality, service and adaptability, but also are cost-effective – not costing more than is required to provide the expected level of operation.

“The best way to ensure your contractor is meeting both sides of that equation – a high level of [performance](#) and closely-controlled costs – is a performance-based incentive program. That’s a series of financial rewards and penalties based on both operational and financial results,” Mac Dermott says. “You need to have a two-sided formula so that the operator doesn’t pursue a high quality program without regard to cost or the reverse, cutting corners to reduce costs below budget.”

“For an incentive plan to work, the criteria used have to be neutral – not open to manipulation by either party - and transparent so the contractor’s on-site manager can track performance and make adjustments as needed to meet and beat benchmarks in both areas,” he adds. “At Clarion Group, we’re experts in designing effective incentive programs that work under any operational circumstance and financial arrangement, including administering the program or training a member of the client’s management team to do it.”

About Clarion Group:

Clarion is a nationwide, independent consulting firm, now in its 25th year of providing solutions and uncovering opportunities in food service, catering, conference and related hospitality services for companies, colleges and universities, government, international institutions and other organizations. Clarion publishes [Dining Insights](#), a newsletter for the managers and administrators responsible for their organizations' food services and hospitality services. The Summer 2020 issue is available on request.

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