

Catering Service: Transformations and Inevitable Contributions in the Food Industry

R.N. Balamurugan*

M. Sathish**

Mrs.V. Nandhini***

Abstract

It was a fine July evening in Codissia Hall in the year 2011. Several thousands of relatives, friends and acquaintances gathered to wish Actor Karthi a happy married life. Nearly 20,000 people were eagerly waiting for dinner at the venue. The owners of Madhampatty Thangavelu Hospitality Ltd (MTH) themselves were present and were busily ensuring that all the preparations were made as expected. Serving of tasty and quality food is the top priority for the success of these kinds of public gatherings. MTH was started as a small catering service called Lakshmi Catering in a remote village, far away from the hustling city of Coimbatore. The challenges faced by these catering services in the industry, how they managed and how they are now expanding their business across states through their food taste are discussed. How this small catering company has emerged as one of the most preferred hospitality companies of South India is an interesting yet an important business story to be learned by everyone.

Key Words: Madhampatty Thangavelu, Catering service, Food Industry, Lakshmi Catering and Coimbatore.

*Assistant Professor (Senior Grade), PSG Institute of Management, Avinashi Road, Coimbatore.

**Assistant Professor (Senior Grade), PSG Institute of Management, Avinashi Road, Coimbatore.

***General Manager, Madhampatty Thangavelu Hospitality Pvt Ltd, Coimbatore.

Introduction

The food industry is a complex and global collection of diverse businesses that supply most of the food consumed by the world population. Only subsistence farmers; those who survive on what they grow, can be considered outside the scope of the modern food industry. Activities involved in the food industry are agriculture (raising of crops, livestock and seafood), manufacturing (agricultural construction, farm machinery and supplies and seed), marketing (promotion of generic products like dairy products, new dishes, advertising, marketing campaigns, packaging and public relations), wholesaling and distribution (logistics, transportation and warehousing), food service consisting mainly of catering services, regulation (local, regional, national, and international rules and regulations for food production and sale, including food quality, food safety, marketing/advertising, and industry lobbying activities), research and development in food technology and finally financial services like credit and insurance.

Food Industry in India

The Indian food industry is poised for huge growth; increasing its contribution to world food trade every year. In India, the food sector has emerged as a high-growth and high-profit sector due to its immense potential for value addition, particularly within the food processing industry. Accounting for about 33% (14% of manufacturing GDP, 13% of India's exports and 6% of total industrial investment) of the country's total food market, the food processing industry is one of the largest industries in India and is ranked fifth in terms of production, consumption, export and expected growth. According to Annual report of 2016-17 from Ministry of Food Processing Industries, the food production in India is reached USD 248 billion in 2016. Further it will grow 16 % every year for next 4 to 5 years. The Indian food and grocery market is the world's sixth largest, with retail contributing 70 per cent of the sales. It is projected to grow at the rate of 104%, touching USD 482 billion by 2020 (Indian Food Processing Report, 2017).

Catering Services

The catering industry comprises of businesses that provide food, beverages and other services to a variety of clients, usually for special events. Catering jobs vary from small and intimate affairs to large events that involve providing not only food and beverage services but also tableware, linens, service personnel and other aspects of the event. Companies that provide catering services might be as large as a business with several locations or as small as an individual who provides catering services on his or her own. A caterer might be part of a restaurant or have his or her own business. Caterers might make use of independent contractors for some aspects of their catering services. Small dinners and banquets are some types of events for which a caterer might provide service. These events might be set in a person's home, a small restaurant or an outdoor venue. Sometimes a caterer might be hired specifically to cater to a large event such as a wedding, a family reunion or a corporate event.

Catering Services in India

India is a country where numerous festivals and ceremonies are given importance and celebrated with pomp and show. So, the scope of the catering industry in such a country is worth taking a note. The catering industry in the country is now extending its reach beyond marriages. (Priyanka Gite et.al, 2014) The catering industry in India has been consistently growing at an annual growth rate of 15 to 20%. The good aspect about the Indian catering industry is that it did not bear any major negative effects during the period of recession. So, what are the reasons for the consistent growth rate enjoyed by the Indian catering industry? In the olden days, the members of the Indian families usually took care of different arrangements during a social gathering or an event. This trend is being replaced fast by the people's interest in hiring catering services. This often results in better arrangements and an opportunity for everyone in the family to enjoy the function.

Cross-region Specialties: Earlier, an event taking place in a family belonging to a particular region of India used to have cuisines preferred in that region, but the scene has changed today. Now, a wedding taking place in Punjab has South Indian dishes in its menu. Cuisines from Gujarat, Bengal and other Indian states are included in the menu all over the country. This encourages people to hire professional catering services.

Catering Institutes: It is indeed surprising to watch the growing number of hotel management and catering institutes in all parts of the country. Above all, the students are taking interest in joining the professional courses to make a career in the industry. So, the future of catering industry in India is going to be even better than the present scenario.

Corporate Culture: Apart from the social gatherings and festive occasions, the formal events, seminars, conferences and other business related events consider professional catering services to add to the success of these events.

Family Style Restaurant: Restaurant based catering services too have improved in the country in the past few years. People, who earn well in various fields and have started living higher standards of life, prefer to choose dining venues with professional catering services.

The festival season of October and November in India is among the best times for the catering companies, though the industry does not rest for the remaining part of the year as well. Going further, the presentation and decoration used by the professional caterers make them an almost unanimous choice for various types of events.

Problems Faced in the Catering Services

Like any other business, catering too has its fair share of problems and challenges. There are many factors that remain beyond the control of the owners and only a keen mind with good entrepreneurial sense helps avert or atleast mitigate them.

Staffing: Staffing is a major problem which the food industry faces and this is mostly due to the uncertainty involved in the workforce that is actually required. The efficiency of the staff involved in the catering service directly reflects on the quality of service rendered. A good chef, assistant cooks, an efficient team of kitchen helpers and serving food in dining area are the key persons in this industry. They guide other cooks, bring consistency in the process and help add a unique taste to food.

Uncertainty: High levels of uncertainty prevail in a catering business due to an inability in predicting the exact number of guests at events as well as the absence of employees without notice. Careful backup planning can enable handling an unforeseeable uncertainty.

A little bit of patience: This industry demands a lot from everybody involved but what is required most is patience. It would be insanely impossible to check everything; be prepared for shoving some responsibilities to others. It is also imperative to be calm when things break up a little.

Take care of food: Catering is all about the food and caterers should devote all their time and energy to maintain the quality of food. Special attention should be devoted to food handling and serving it at the right time at the right temperature. People identify catering services by their quality of food and services.

Planning and deciding: As a caterer, it is of prime importance that one has the ability to determine the amount of food required for the available guests. It should never be the case that a caterer has run out of food, especially at the peak hours of serving. This would be quite an embarrassment and will earn negative points. Caterers should ensure that there is enough food for all available guests and there is no shortage of food even while serving several thousand guests. Sometimes when the number of guests is more than estimated, it becomes tough to manage the crowd without sacrificing on quantity and quality of the food.

Radical innovations in the food sector

Chennai city in Tamil Nadu is witnessing yet another innovation with the recent launch of Atchayam's Foodbox. It is the first of its kind in the food and retail industry of the country. Foodbox is an automated restaurant which serves everything from light tiffin to complete meal combo packs from renowned restaurants in less than 90 seconds. Foodbox serves food from the city's favorite eateries to customers through a completely automated delivery mechanism. The customers get to choose their preferred restaurant along with their choice of food on easy-to-use touch screens, pay using credit or debit cards and in less than 90 seconds, food packages are served fresh and hot to the customers on a conveyer belt. One can also pay by cash to the staff at the counter who provides a Foodbox card for swiping and placing an order.



Fig. 1 Atchayam's Food Box
(Source: Economic Times, March 2014)

Each restaurant associated with Foodbox will first be consulted in providing meals that are completely satisfactory in terms of quantity and price. The meals are packed in food-grade packaging materials at the partnering restaurants, transported to Foodbox and stored in a climate-controlled and automated system which heats the food just before serving. The automated system allows constant replenishment of food based on stock and demand thereby minimizing wastage and simultaneously ensuring that the food served to customers is always fresh. These kinds of innovations constantly occur only to erase old, established companies and bring in new ones with the customers witnessing and accepting the changes that occur.

Madhampatty Thangavelu Hospitality Private Limited

To start with, the vision of a client is always a top consideration for any caterer. At times the caterers are given parameters to follow and to execute the plan as per the customer's need. This is the reason why opportunities for any caterer are endless. Let us discuss one such caterer, Mr. Madhampatty Thangavelu, who has been able to delight customers over the years through his establishment – Lakshmi Catering Services.

Mr. Thangavelu is a man with a passion for cooking. In and around Coimbatore region, Mr. Madhampatty Thangavelu is the brand ambassador and the backbone of the catering brand, Lakshmi Catering Services. At first, his primary focus was on cooking for marriages in small scale. Forty years in the field of catering helped him to stand out and transform the hitherto unorganized catering services to a registered and organized firm. He initially started with a single cooking team where he was the main cook.

Mr. T. Rangaraj, his eldest son, started to take over the family business with his father's guidance and blessings. He initiated to transform the business in and around Coimbatore. The brand quickly

spread across South India due to consistency in quality and taste of the food served. This transformation enabled Lakshmi Catering Services to lift its capability and business model from small scale to medium and large scale services.

Mr. T.Krishna Kumar, an electrical engineering graduate, brother of Mr.T.Rangaraj, stepped into the family business after gaining 4 years of experience in the IT Industry. He is the man behind the registered firm, “Madhampatty Thangavelu Hospitality Pvt Ltd”, which was established in 2009. It was a small office, however the brand name enjoyed brisk business for the most part of every month. Mr.Rangaraj says, “My brother and I thought of organizing it (the catering business) into a company and re-structuring it as per the latest market trends, since catering is an unorganized business. The Madhampatty Thangavelu Hospitality Pvt Ltd has been registered as per Companies Act. And recently, we got the ISO 9001 certification for our quality services.”

(Source: Personal Interview with Board of Directors of MTH)

Organization Overview

Mr. Madhampatty Thangavelu, who spear-headed the catering company for 30 years, gave his magic wand to his two sons: Mr.T.Rangaraj and Mr.T.Krishna Kumar. Family members, Mr.R.Ravichandran and Mr.S.Vimalraj take care of the day-to-day operations of the company. Under them are their five trusted main cooks who have more than 20 years of experience on average. Modern management principles are practised; there are several departments in the company for each and every task and the owners oversee the functional areas through supervisors. The hierarchy of the top management is shown in figure 2.

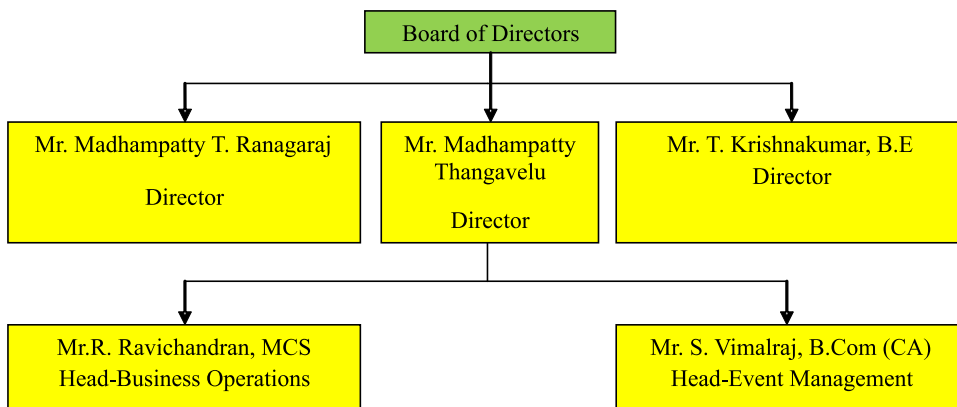


Fig.2 Top Management of MTH
(Source: Nandhini, General Manager of MTH)

With 5 main cooks, MTH has the capability to cater to 5 different events at a time irrespective of the location of the events. The job description for the main cook is complex. One main cook is responsible for the whole event. The average number of guests served per event by MTH catering varies roughly from 5,000 to 40,000 people. For an average event, the main cook is assisted by at least 10-15 assistant cooks. Live counter cooks who are specialists in that particular food item, vary from 10 to 15, depending on the menu requested by the client. A separate team of 10 persons are assigned for the preparation of sweets and savories. Vegetable cutters and assistants include around 60 personnel who also act as food suppliers during the event. Cleaning and housekeeping jobs require around 25 women during the event. A supervisor is assigned exclusively for every event.

In addition to the above mentioned personnel, there are 15 supervisors who take utmost care in getting the work done from each department and maintain a close contact with other departments that include production, purchase, accounts, vendors, wholesalers, outsourcing agents, marketing and so on.

On an average, there are around 150 personnel working under MTH as regular employees. Others are sourced by third party agents who specialize in bringing personnel according to requirement. There are separate agents to source specialist cooks, vegetable cutters, house keepers, buffet servers and so on.

The leaf service category is one of the critical processes in the event-based catering process. This involves proper prediction of the food requirement, availability of individual food items and monitoring of consumption rate to compensate for the remaining guests to be served. Further, the servers need to be effective and efficient to supply the right food for the right person in the right order at the right time. For this, third party agents are requested to supply the same set of servers each time to MTH so that the team retains the efficiency of service for each order.

One of the major problems prevailing in the catering service is in the food serving section. There are two broad areas of serving, the leaf service and buffet service, and each is different in its own way. The leaf service involves highly skilled servers to serve the right dish at the right amount and at the right time. Even the buffet service requires numerous servers to cater several thousands of guests.

Mr. Krishna Kumar informs, "To understand the need of the huge number of serving personnel, consider that nearly 600 servers were needed to cater to nearly 30,000 guests at Mr. Saidai Duraisamy's family wedding. With the auspicious days for weddings limited to few days in a month and all the marriage halls booked for those days, there is a huge requirement of manpower in the labor market to cater to the number of wedding events around the state".

(Source: Personal Interview with Board of Directors of MTH)

Outsourced manpower is a tremendous problem which becomes difficult to manage since the servers unfamiliar with MTH's organizational culture form the face and the front end to MTH's quality of food service. There is a need for consistent quality in service as temporary employees are hired only for the required events and the workforce hired is not the same in every case. As the demand for persons on wedding days increase, manpower agents increase the rate for experienced service personnel. This is a common problem faced by all catering companies in Coimbatore.

Segmentation

MTH segments the market to satisfy the needs of its potential customers in a better method and it can be considered as the first step of targeting its customers. In market segmentation process, MTH splits the market into smaller groups with similar services for selecting appropriate target markets. MTH narrows down the food industry through segmentation in psychographic and behavioral categories. Nowadays, customers perceive marriage functions as a social status and at the same time, they want to reduce the burdens involved in making a marriage successful. Mostly, women want to come out of the kitchen and grace such memorable occasions. So, families are ready to outsource the cooking activities to the specialists.



Fig.3 Segmentation, Targeting and Positioning
(Source: wordpress.com, August 8, 2016)

Targeting

MTH identifies potential customer segments as weddings, functions, events and corporate gatherings. By performing the targeting activity, MTH is more selective about whom they are marketing their service to. MTH adopted the strategy of concentrated targeting method to focus on a single segment so that it can concentrate on understanding the needs and wants of the targeted market intimately.

Positioning

Positioning a service involves creating a concept which is an expression of the benefits a customer would receive from the service. MTH successfully positioned themselves in the customer's mind in two ways – Brand and Service. Brand Positioning is the key to marketing strategy. A strong brand

positioning directs marketing strategy by explaining the brand details, the uniqueness of brand, its similarity with competitor brands, as well as the reasons for buying and using that specific brand. MTH's core & unique factor, "Taste to Nativity", upholds the brand of MTH. Any recipe prepared by them has the original taste of that recipe which is the point of difference (POD) among their rivals. Service is another means by which MTH positions itself strongly with the customers. It improves the customer's perception about the experience they will have if they choose to purchase the product or service. In addition, MTH avoids the error of double-positioning itself among the customers. This gives them a good reach in the market.

Forecasting customer`s expectations

- Based on the customer inquiry and by understanding the customer needs, multiple sets of menu are presented to customers for them to choose.
- Order confirmation would have multiple rounds of discussion where MTH makes its customers experience the menu.
- Some pre-defined sets of forecasting of customer`s count of function attendees are handled by MTH.
- Hence, MTH would be able to manage surprise huge crowds with quick action.
- Forecasting Techniques-Lakshmi catering strongly believes in some of the techniques based on locations listed below.
- "Time - series model" -- in terms of function hall and delivery to forecast the count of leaves.
- "Smoothing techniques" -- in handling the contractors and vendors to get resources at the right time.
- Forecasting Methods-MTH handles both the methods of forecasting at different situations.
- Qualitative Method -- used on new menu selection and in any change of process
- Quantitative Method -- used to identify the menu to handle surprise crowds

Market share in the catering business

MTH has been the market leader in the catering industry for many years. It is due to the organized approach in business, taste consistency and quality of food and brand loyalty. The brand awareness and loyalty are so high that clients book MTH for food even before booking wedding halls, but each order missed by the company is an indirect loss as it is secured by its competitors. Not only that, since word-of-mouth is the major marketing element in this industry, the unsecured order leads to several unrealized orders. Several lakhs of rupees is lost in a year by these types of unrealized orders. The following is the list of prominent competitors grabbing the market space in the industry.

1. Madhampatty Nagaraj Catering
2. Peelamedu Damu Catering
3. Tirpur Vellingiri Catering
4. Madhampatty Suresh Catering

5. Geetha Canteen
6. Ondipudhu Ganesh Catering
7. Sulur Ravi Catering
8. Sulur Rajendran Catering
9. Venkidupathy Catering

To realize the market share of MTH in the catering business, the recent balance sheet (Appendix1) gives a clear idea of the revenue generated year after year in the event based catering business.

Pricing

MTH adopted the Value-based pricing which is about coming up with a price that the customers are willing to pay. A consumer's perception of value is based upon their needs, preferences, expectations, ability to pay and what a competitor offers as an alternative.

Value-based pricing (VBP) is about setting a price to capture the value that a potential customer receives. MTH follows the steps mentioned below to determine the price of its product/service.

1. Identify the customer's second best option. If the customer will not buy your product or service, what are the other alternatives available to the customer?
2. Determine the price of the second best option.
3. List all the ways through which the MTH offering is better than the second best option. Estimate how much these differences are worth to the customer.
4. List all the ways through which the second best offering is better than that of MTH. Be very honest here. How much do you think these are worth to your customer?
5. To calculate the best price, the price of the second best option (step 2) plus the value of the advantages (step 3) minus the value of the second best option's advantages (step 4) are taken.

$$\text{Price} = \text{step 2} + \text{step 3} - \text{step 4}$$

Building the value proposition

MTH, clearly defining benefits such as taste, quality, service and a flexibility that gives it an edge over its competitors, has the privilege to charge according to the value it offers to its customers. Value based pricing offers some excellent opportunities for optimizing or increasing the profit margins as it depends on the strength of the benefits MTH can offer to its customers.

For pricing to become a core competency in its business, MTH incorporated the "5Cs of Value" into their pricing practices:

1. "Create" value for customers
2. Make customers "Comprehend" the value
3. "Communicate" value to Customers
4. "Convince" customers to pay for the value
5. "Capture" the value with strategic pricing based on value and not cost.

Workflow

Each contract is started with the enquiry of availability of date, items in the menu and price. This enquiry may be directed through marketing or "Word of mouth". A majority of enquiries come through the "word of mouth" medium. Based on the event type, event time and type of cuisine, a draft of the menu is prepared. The customer is then called for discussion to finalize the menu along with price. This exercise would take two or more iterations before the menu is finalized. This is the first milestone in the order execution and sometimes, this activity would be completed just a day before the function.

Once the order is confirmed, the next step is to prepare the grocery and vessel lists. Based on the finalized menu, teams work out on the grocery and utensil lists for the preparation of food. Another team works on the planning of human resource after cooking activity, i.e., serving. Then, immediately, a supervisor is allocated to manage the event. The communication about the event is given to the other team members like master cook, assistant cooks, masters and suppliers. Now, the grocery has to be ordered based on the list prepared. This is done on a "turnkey project" or "labor contract" basis. If it is through labor contract, the customer is responsible to procure items as per the list prepared or if it is a turnkey project, MTH places a purchase order to its vendor base and communicates the date and time of delivery. MTH has a huge vendor base for the grocery procurement.

The actual production would commence once the grocery and utensils are received at the location. The team members have dual responsibilities of preparation of food and development of the next generation of caterers through knowledge transfer. The taste of the food is the unique feature which makes the customer place repeat orders. MTH is able to maintain the taste with the experienced team and the specialists that are assigned based on the cuisine. Another important milestone and real challenge is serving food in the most hospitable and efficient manner begins. This is executed by suppliers with a combination of professionals and non-professionals. Food serving is completely dependence on third party players. Supervisors are introduced to overcome and manage the challenges which may arise due to third party involvement. Further, a human touch is given to this activity by the top and middle management which connects the customers emotionally. This gives cutting edge over the cut-throat competition.

After the completion of the event, feedback is asked from the customers to improve or to prevent re-occurrence of any mishaps. This feedback is reviewed and necessary actions are taken appropriately and the same is communicated to the customer. The order is formally closed after the receipt of the cash against the bills submitted.

Order Confirmation

- Orders are undertaken by top management people along with customers and related managers.
- Multiple rounds of discussions are required for finalizing menu orders as it may vary on each round of discussion.
- Customers are made aware of all the food items which are available in market and made to select from them.
- MTH takes care of bringing the promised menu to the table with multiple possibilities.
- MTH has contract with all kinds of chefs to bring different varieties of food menu, which are not a part of their core team.
- Once an order is placed, relevant teams make arrangements for raw materials, cooks and their teams.
- Top management people are involved in every process.

Workflow of Madhampatty Thangavelu Hospitality Pvt Ltd

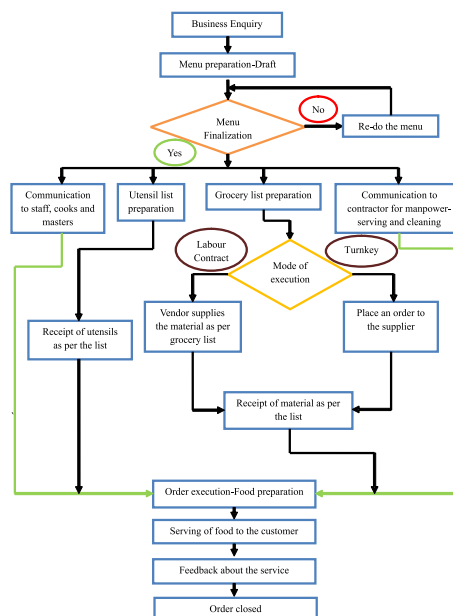


Fig. 4 Workflow

(Source: MTH Annual Report, 2016)

Strategic Decision in Operations

- MTH takes decisions on operations, which completely depend on its customers.
- It has its own cooking team with strong experience and supported by a number of cooks.
- It believes in its cooks, many of whom have been with MTH right from inception of the company.
- Most decisions are made by top management people at all parts of the process.
- The top management is involved in every process, right from booking of orders to serving on leaves.
- Hence, it has now become a pioneer of immediate and appropriate decision-making at the right time in terms of customer satisfaction.
- Critical conditions which affect business are handled smoothly with less turnaround time.

Top critical decisions involved in the industry

1. Choosing raw materials with high quality at affordable cost
2. Follow-ups with customers
3. Managing quality in food
4. Maintaining human resources to ensure simultaneous employee and customer satisfaction
5. Schedule of process
6. Location of preparation

Consistence in taste

The cooking expertise of the main cooks is achieved by the experience gained through food preparation. MTH continuously evolves to bring out the best taste in food for its clients. There is no particular recruitment process in deciding and in selecting the main cooks. Two of the main cooks were initially assistant cooks and they gain knowledge and expertise through years of experience to become main cooks for MTH. There is no additional training provided to the employees in the catering process. Every personnel gains knowledge by working on the job and thereby increase his/her expertise through empirical means. Training on mechanized procedures is provided from time to time to save the employees from falling behind in industry updates and thereby increasing their product knowledge.

Each main cook provides his or her unique taste on each food item. Each cook uses his or her own set of ingredients and proportions of each ingredient to bring about the unique cuisine taste. One cook can hardly replicate the taste of the other's cooking style and this unique specialization brings in more clients day after day and consequentially, year after year towards MTH.

The compensation provided is an event based payment to all cooks and the assistants and personnel supplied through agents. Apart from this, additional incentives and festival bonuses during Diwali are provided to retain the best talent and to maintain the retention ratio. The supervisors and the other supporting staff who report daily to work are staffed with monthly salary, being the company employees.

Mr. Krishna Kumar says, *“Performance appraisal is nothing, rather, it is the consistent taste the cooks maintain over the period of time without any complaints from the clients”*.

Layout in MTH

- MTH works in a Fixed Layout structure, which is also called Project Layout.
- Project layout occurs when a large variety of products need to be done for a small volume (i.e., the number of days). As the event is for just one day, the catering business is highly project type in nature.
- As the catering industry works in the model of projects, it assembles at a particular location / function and starts the process of operations.
- It cares for individual functions as separate projects with different styles, resources, menus, serving orders and so on.

Strategies & Unique Selling Points of MTH

MTH brings memories of good times over the past two decades in the minds of people around Coimbatore region. With a significant presence in the auspicious and eventful occasions, MTH becomes a distinctive choice with its offerings in the world of taste and celebration. It has become one of the most sought-after caterers in Tamil Nadu. Following are the unique selling points of the company, where MTH is the industry expert in providing such service.

1. **Quality & Taste:** MTH is one of the largest and leading caterers in Tamil Nadu and is capable of handling several thousand people in an event. The quality and taste of the food is a major factor to attract and to retain the customers. They are also able to cater up to five events in a day at different locations.
2. **Experienced Cooks:** Head cooks are with over 20 years of experience and some are those who have worked directly under Mr. Madhampatty Thangavelu. These experienced cooks guide the other cooks and bring consistent and unique taste to food.
3. **Easy approach of the top management:** Clients have their initial enquiry and discussion and all communication takes place with one of the directors so that the clients feel secure and place their trust on MTH's service.

4. **Customer Delight:** Discussions take place at the convenience of the clients and at the clients' location. Several rounds of discussions take place until the client is comfortable and his/her expectations are met.
5. **Agility & Flexibility:** MTH has a unique working style to calculate the extra food to be prepared when the pax exceeds the expected level. They continuously monitor the crowd in the hall against the rate of persons consuming food and prepare food for extra guests.
6. **Variety of choice:** Client requests are fulfilled through innumerable, custom-prepared delicacies and the exotic cuisines are prepared by cooks from that region. For example, separate Karaikudi, Palakkad, Andhra and North Indian cooks are invited to prepare their respective delicacy whenever required.
7. **Innovative Dishes:** They also develop innovative dishes with the experienced cooks. Clients are shown photographs and are even given samples of innovative dishes discussed, to give them the flavor of the dish.

Product life cycle in MTH

MTH was started with event based catering service as its primary focus and has excelled for the same, but following the same product line might be dangerous as a new trend would completely change the present scenario. For this, continuously updating and upgrading on the working methodologies is essential to stay in line with the current market demands of the service industry. Though the primary event catering sector is growing day by day, with new kinds of requirements arising, MTH looks beyond the traditional service model to increase the product portfolio and increase its market share in all the segments. MTH initially started the event catering service in the introduction stage. Over a period of time, the full growth potential in that sector was achieved. Once it reached the maturity stage, MTH looked for new opportunities to grow further. MTH has started two new verticals apart to complement the event based catering service Industrial kitchen and Outdoor catering service. Industrial kitchen caters to the food and snack requirements of the two prominent establishments of Coimbatore, Robert Bosch and CRI pumps. The industrial kitchen is currently serving up to 4,000 persons per day of the aforementioned two companies. This is a completely organized sector with daily production, unlike the event based catering which falls only on auspicious days, i.e., a few days in a month.

In order to serve less number of people, where onsite event catering cannot be held, outdoor catering service is introduced. This service can cater to a minimum of people like 200–300 pax. A Centralized kitchen concept is implemented where the clients' requirement is processed in the centralized kitchen and food is delivered at the client's place. This greatly reduces all the bottlenecks which occur during the onsite event catering process.

Mr.Rangaraj also says, “We couldn’t deny the requests from our loyal repeat customers to cook for small gatherings like house warming, engagements, family meet-ups etc. So, we started the outdoor catering concept to fulfill the needs of small orders from our clients”.

Critical Scenario:

The order confirmation till execution is a tedious process as the discussion takes place over several sittings to confirm the dish varieties. This is subject to change till the last minute before the function by the client. This has to be clearly noted by the team which has to update each department (including raw material purchase, utensil requirement, requirements for cuisine-specific cooks, labor requirements and so on) to make necessary changes and to run the event smoothly. Communication gaps play a significant role in affecting the success of the event.

As mentioned earlier, the operations management involves dozens of dishes to be prepared for several thousand guests. Considerable amount of time goes into analyzing the market price of ingredients at the time of event, discussing with cooks and in estimating fluctuations in the number of guests. The menu and the number of guests are finalized after a number of considerations and calculations. The event hall is visited by the caterers to estimate the available vessels for cooking, area allocated for cooking and serving and layout possible to serve maximum number of guests at a period of time. This is required to plan for the needed service personnel as well. Menu items are carefully finalized with all the ingredients that are available at the time of the event as seasonal fruits are used. These backend calculations require significant accuracy to nullify any undue strain on the company operations.

With the capability, strength and capacity to handle 5 functions at a time, MTH has received seven orders for 26th Feb 2016. out of which, 2 orders are referred by prestigious customers back in Coimbatore and Erode, 2 orders are from new customers from a new market viz. a north Indian state, 2 high value orders from new local customers and 1 order is of a close family friend’s function. It is impractical for MTH to accept all the seven orders due to the availability of only 5 main cooks and related human resources. Then what decision can MTH take to satisfy all their prospective clients? Each selected option will sacrifice the unselected option and most importantly its market scope too. A gain in one selected order may cost an unknown loss from the unselected order.

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Contact:

Ajoy Kumar Dey

Professor
Operations & Decision Sciences
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E-mail: ak.dey@bimtech.ac.in

Tojo Thatchenkery

Professor and Director, ODMM
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