



CAREER CLUSTER
Hospitality and Tourism

CAREER PATHWAY
Restaurant and Food and Beverage Services

INSTRUCTIONAL AREA
Pricing

RESTAURANT AND FOOD SERVICE MANAGEMENT SERIES EVENT

PARTICIPANT INSTRUCTIONS

- The event will be presented to you through your reading of the 21st Century Skills, Performance Indicators and Event Situation. You will have up to 10 minutes to review this information and prepare your presentation. You may make notes to use during your presentation.
- You will have up to 10 minutes to make your presentation to the judge (you may have more than one judge).
- You will be evaluated on how well you meet the performance indicators of this event.
- Turn in all of your notes and event materials when you have completed the event.

21st CENTURY SKILLS

- Critical Thinking – Reason effectively and use systems thinking.
- Problem Solving – Make judgments and decisions, and solve problems.
- Communication – Communicate clearly.
- Creativity and Innovation – Show evidence of creativity.

PERFORMANCE INDICATORS

1. Explain the nature and scope of the pricing function.
2. Describe the role of business ethics in pricing.
3. Determine menu pricing.
4. Explain factors affecting pricing decisions.
5. Determine factors affecting business risk.

EVENT SITUATION

You are to assume the role of franchise owner of DONOVAN STEAKHOUSE, a regional chain of steakhouses with 100 total locations. The franchisor (judge) has given each franchise owner the option of adjusting the prices of menu items as beef prices drop to the lowest price in over two years. The franchisor (judge) wants you to analyze current and past menu prices and make a decision on menu pricing.

For over a decade, DONOVAN STEAKHOUSE has been a destination restaurant for special occasion dining. The upscale restaurant features a sophisticated ambiance along with a gourmet menu. While DONOVAN STEAKHOUSE does offer a variety of pastas, chicken and seafood dishes, the restaurant is best known for its steaks.

Beginning in 2010, droughts caused a slowing in production of grains that feed cattle, and many ranchers had to scale back on their purchasing. In 2013 the droughts became so severe that many ranchers could not continue raising cattle, which made beef in low supply and high demand. This caused beef prices to skyrocket. In turn, restaurants were forced to raise menu prices on beef products to cover the raising costs.

In 2013, the franchisor of DONOVAN STEAKHOUSE (judge) raised the menu prices of all beef dishes. The following is menu pricing information from 2010 and with the raised menu prices that went into effect in 2013:

Sirloin Steak: \$16.99 in 2010 - \$20.99 in 2013

Ribeye Steak: \$22.99 in 2010 - \$26.99 in 2013

New York Strip: \$23.99 in 2010 - \$27.99 in 2013

Filet Mignon: \$28.99 in 2010 - \$32.99 in 2013

At first the higher menu prices did not go over well with customers. When wait staff and management explained the reason for the higher menu prices, customers opted to order other menu items rather than paying the higher prices. In the years since the changes in pricing, customers have become familiar with the pricing and beef orders have slowly resumed.

Now that rainfall levels have increased and grain production has resumed to normal, ranchers have increased the number of cattle in their herds. This has caused the price of beef to lower. In fact, beef prices are the lowest they have been in over two years.

Instead of declaring that all franchise owners must now adjust their beef menu prices to reflect the savings, the franchisor (judge) is letting all franchise owners make their own decisions. The franchisor (judge) wants you to analyze the situation, determine the benefits and possible consequences of adjusting the beef menu prices and make final menu pricing decisions.

You will present your analysis and decision to the franchisor (judge) in a role-play to take place in the franchisor's (judge's) office. The franchisor (judge) will begin the role-play by greeting you and asking to hear your ideas. After you have presented your decision and have answered the franchisor's (judge's) questions, the franchisor (judge) will conclude the role-play by thanking you for your work.

JUDGE'S INSTRUCTIONS

DIRECTIONS, PROCEDURES AND JUDGE'S ROLE

In preparation for this event, you should review the following information with your event manager and other judges:

1. Procedures
2. 21st Century Skills and Performance Indicators
3. Event Situation
4. Judge Role-play Characterization
Participants may conduct a slightly different type of meeting and/or discussion with you each time; however, it is important that the information you provide and the questions you ask be uniform for every participant.
5. Judge's Evaluation Instructions
6. Judge's Evaluation Form
Please use a critical and consistent eye in rating each participant.

JUDGE ROLE-PLAY CHARACTERIZATION

You are to assume the role of franchisor of DONOVAN STEAKHOUSE, a regional chain of steakhouses with 100 total locations. You have given each franchise owner the option of adjusting the prices of menu items as beef prices drop to the lowest price in over two years. You have asked a franchise owner (participant) to analyze current and past menu prices and make a decision on menu pricing.

For over a decade, DONOVAN STEAKHOUSE has been a destination restaurant for special occasion dining. The upscale restaurant features a sophisticated ambiance along with a gourmet menu. While DONOVAN STEAKHOUSE does offer a variety of pastas, chicken and seafood dishes, the restaurant is best known for its steaks.

Beginning in 2010, droughts caused a slowing in production of grains that feed cattle, and many ranchers had to scale back on their purchasing. In 2013 the droughts became so severe that many ranchers could not continue raising cattle, which made beef in low supply and high demand. This caused beef prices to skyrocket. In turn, restaurants were forced to raise menu prices on beef products to cover the raising costs.

In 2013, you raised the menu prices of all beef dishes. The following is menu pricing information from 2010 and with the raised menu prices that went into effect in 2013:

Sirloin Steak: \$16.99 in 2010 - \$20.99 in 2013
Ribeye Steak: \$22.99 in 2010 - \$26.99 in 2013
New York Strip: \$23.99 in 2010 - \$27.99 in 2013

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At first the higher menu prices did not go over well with customers. When wait staff and management explained the reason for the higher menu prices, customers opted to order other menu items rather than paying the higher prices. In the years since the changes in pricing, customers have become familiar with the pricing and beef orders have slowly resumed.

Now that rainfall levels have increased and grain production has resumed to normal, ranchers have increased the number of cattle in their herds. This has caused the price of beef to lower. In fact, beef prices are the lowest they have been in over two years.

Instead of declaring that all franchise owners must now adjust their beef menu prices to reflect the savings, you are letting all franchise owners make their own decisions. You want the franchise owner (participant) to analyze the situation, determine the benefits and possible consequences of adjusting the beef menu prices and make final menu pricing decisions.

The participant will present the analysis and final decision to you in a role-play to take place in your office. You will begin the role-play by greeting the participant and asking to hear about his/her ideas.

During the course of the role-play you are to ask the following questions of each participant:

1. How did inflation factor into your decision?
2. Will you still stand by your decision if we encounter another drought next year?
3. Do all franchises in the area need to have the same pricing?

Once the franchise owner (participant) has presented the decision and has answered your questions, you will conclude the role-play by thanking the franchise owner (participant) for the work.

You are not to make any comments after the event is over except to thank the participant.

JUDGE'S EVALUATION INSTRUCTIONS

Evaluation Form Information

The participants are to be evaluated on their ability to perform the specific performance indicators stated on the cover sheet of this event and restated on the Judge's Evaluation Form. Although you may see other performance indicators being demonstrated by the participants, those listed in the Performance Indicators section are the critical ones you are measuring for this particular event.

Evaluation Form Interpretation

The evaluation levels listed below and the evaluation rating procedures should be discussed thoroughly with your event chairperson and the other judges to ensure complete and common understanding for judging consistency.

Level of Evaluation	Interpretation Level
Exceeds Expectations	Participant demonstrated the performance indicator in an extremely professional manner; greatly exceeds business standards; would rank in the top 10% of business personnel performing this performance indicator.
Meets Expectations	Participant demonstrated the performance indicator in an acceptable and effective manner; meets at least minimal business standards; there would be no need for additional formalized training at this time; would rank in the 70-89 th percentile of business personnel performing this performance indicator.
Below Expectations	Participant demonstrated the performance indicator with limited effectiveness; performance generally fell below minimal business standards; additional training would be required to improve knowledge, attitude and/or skills; would rank in the 50-69 th percentile of business personnel performing this performance indicator.
Little/No Value	Participant demonstrated the performance indicator with little or no effectiveness; a great deal of formal training would be needed immediately; perhaps this person should seek other employment; would rank in the 0-49 th percentile of business personnel performing this performance indicator.



**RESTAURANT AND FOOD SERVICE
MANAGEMENT SERIES, 2017**

Participant: _____

I.D. Number: _____

**JUDGE'S EVALUATION FORM
DISTRICT EVENT #2**

**INSTRUCTIONAL AREA
Pricing**

Did the participant:

		Little/No Value	Below Expectations	Meets Expectations	Exceeds Expectations	Judged Score
PERFORMANCE INDICATORS						
1.	Explain the nature and scope of the pricing function?	0-1-2-3-4	5-6-7-8	9-10-11	12-13-14	
2.	Describe the role of business ethics in pricing?	0-1-2-3-4	5-6-7-8	9-10-11	12-13-14	
3.	Determine menu pricing?	0-1-2-3-4	5-6-7-8	9-10-11	12-13-14	
4.	Explain factors affecting pricing decisions?	0-1-2-3-4	5-6-7-8	9-10-11	12-13-14	
5.	Determine factors affecting business risk?	0-1-2-3-4	5-6-7-8	9-10-11	12-13-14	
21st CENTURY SKILLS						
6.	Reason effectively and use systems thinking?	0-1	2-3	4	5-6	
7.	Make judgments and decisions, and solve problems?	0-1	2-3	4	5-6	
8.	Communicate clearly?	0-1	2-3	4	5-6	
9.	Show evidence of creativity?	0-1	2-3	4	5-6	
10.	Overall impression and responses to the judge's questions	0-1	2-3	4	5-6	
TOTAL SCORE						