

## Food Cost & Control Tips

### Organization

Staying organized is one of the easiest and cheapest ways of maintaining productivity and control food costs. Please contact your KFS representative with any questions that you may have.

*Below are a few tips that may be useful.*

1. The use of charts - This will help check if jobs are being allocated in the most productive manner. This will also help the staff understand who is responsible for what job in the restaurant, on a daily or weekly basis.
2. Create Checklists - Use these lists everyday to help perform tasks faster and more efficient.
3. Checklists should be used during every shift and can be used to communicate between shifts.
4. The use of voice mail, faxes and e-mails (if available) are also very useful tools in staying on track and saving time.
5. Keeping good accurate records is VERY IMPORTANT. If you need assistance with keeping your records in good standing, check with or hire an accountant to help with this task.

### Purchasing

The goal of purchasing is to buy quality, fresh food to meet the standards of your current menu. The KFS sales team will work with you to ensure the correct item is selected to maintain the necessary balance between quality, value and menu price.

*Below are some tips and suggestions that may be helpful with your purchasing procedures.*

1. Vendors and Food Safety - Handling of food prior to delivery is primarily the responsibility of the vendor. Remember, choose and communicate with your vendors wisely.
2. Vendors and suppliers should meet federal and state health standards; vendors should use the HACCP system in their operations. And continually train their employees in sanitation and food handling.
3. Delivery trucks and equipment should have clean and adequate refrigeration and freezer units. Product should arrive at the proper temperature, in good condition, free of defects.
4. Inventory - A critical component of purchasing - Very Important! Before ordering product you will need to know two things. First, you will need to know how much product you have on hand. Second, how much product will be used. Remember, you purchase product according to usage. Stay organized! Keep good records!
5. Phone numbers - It is a good idea to keep all your vendors / salesman phone numbers handy in case they are needed to contact vendor about an "add-on" or the status of a delivery.
6. Contact your KFS Sales Representative to assist in creating a par level and re-order guide.
7. Develop a purchasing program - After you have designed your menu to meet your satisfaction and your profit needs, develop an efficient purchasing program that incorporates standard purchase specifications based on standardized recipes, and standardized yields, with portion control in place. Based on standardized recipes, along with standardized yields and portion control this should allow for accurate costs based on portion actually served.
8. Your purchasing program should accomplish three very important things. First, this should allow you to purchase product at prices that meet your food cost goals. Secondly, this should help you better control existing inventory. And third, it should establish a set of procedures, which will help make sure you are receiving quality products on a regular basis.
9. Keep in mind when purchasing - not buying or not having enough products in inventory can sometimes mean paying higher retail prices, or having to use a more expensive substitute.

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## Receiving

The goal of receiving is to ensure that all product is fresh and safe when it enters your facility and you are receiving and paying for what you ordered. Make sure that all product is put to its proper storage area's (cooler, freezer) as quickly as possible to prevent spoilage.

*Below are some tips and suggestions when receiving product.*

1. Make sure all product orders are being checked in at the time of delivery. This will ensure that all items and prices on order are correct and meet your satisfaction. This is the time to make any corrections or deletions. Stick to these polices and procedures they are very important.
2. Make sure that there is sufficient storage space in freezers and coolers at time of delivery. This is the correct time to make sure all products have been properly rotated, dated and labeled.
3. Mark all delivered products with there arrival or "use by" date. This ensures proper rotation especially on perishable items. (This is especially important with produce)
4. Check all frozen products delivered for any items that may have been thawed or re-frozen. If product does not meet your standards this the time to refuse or reject them.
5. Check all canned goods for flaws such as swollen sides & ends, rusted and bad seals. Reject all items in this condition.
6. Weighting product - From time to time checking the accuracy of catch weights is a good practice.
7. Invoice accuracy - Make sure the invoice has been checked for accuracy in regards to the purchase order, pricing, quantity and brands. (IMPORTANT)
8. The KFS team strives for above average order accuracy.
9. Products should be delivered in good condition, in proper state and free of defects.
10. Should any corrections be necessary, the KFS drivers are authorized to make certain adjustments to the delivery document.
11. Delivered product - Due to HACCP compliance product must be checked in upon delivery for freshness, quality, proper state and free of defects. (Any issue with perishable products must be communicated within one business day)
12. Delivery Schedules - Have deliveries made at such a time that it can be properly received and inspected.

*KFS vendors will cooperate with this and adjust deliveries accordingly.*

## Storage

In general there are three types of storage for food products. The storage of all products is very important and should not be neglected. Proper rotation and labeling will help in tracking and storing all products.

1. Dry storage
2. Refrigeration
3. Freezer

*Below are some tips and suggestions for product storage.*

1. Temperature - For maximum shelf life, dry goods should be held at 50 degrees, but 60-70 is adequate for most products. The use of a good wall thermometer is recommended.
2. (FIFO) - First in, First out - This ensures freshness. Remember, dating and proper rotation also helps prevent spoilage.
3. Keep all products off floors, stay organized.
4. Avoid chemical contamination; never put chemicals or cleaning products where they might come into contact with any food.
5. Always make sure thermometers are calibrated and in good shape. Use back ups to check against.
6. Temperature of refrigeration cooler should always be below 40 degrees.
7. All refrigeration shelving should contain open, slotted shelving to allow cold air to circulate around food. Never line shelves with any kind of paper lining or foil
8. Never over load refrigeration units, items should be spaced apart so air can flow freely around product. This helps keep shelve life to a maximum
9. Store dairy products away from items with strong odors (onions or cabbage)

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10. To prevent cross contamination always store raw, uncooked food products away or below prepared and ready to eat foods. **IMPORTANT!**
11. Frozen foods should always be stored at temperatures between 26 - 32 degrees. This will help decrease bacterial growth.
12. A good rule to follow, freeze foods that have already been delivered frozen to your door. Freezing refrigerated products will damage the quality of some products. It is also important to know that leaving foods in the freezer for too long will increase the likelihood of contamination and/or spoilage.
13. The use of moisture-proof containers will help minimize any loss of flavor as well any discoloration, dehydration and odor absorption.
14. Minimize cold loss in freezer by removing as many items as necessary at one time when possible. The use of a freezer curtain will also aid in cold lost.
15. Stored food spoilage prevention - Keep a chart of all stored food that has spoiled, chart the date, item description and the reason it spoiled. This will allow you to make any inventory adjustments. This chart should be handled by the proper kitchen employee. (KFS form #SWR-01)
16. Make sure that freezers are not too cold. This will cause freezer burn which will in turn cause spoilage. Check your temperatures regularly.
17. Try not to refreeze foods; this will almost always take away from the flavor and taste of the product.
18. Generators - Consider a generator even if only a small one to keep your cooler or freezer operating during down time. You may want to contact your vendor or a cold storage company in the event of an emergency. (power lines down, severe storm) Plan ahead and be prepared.
19. Check your insurance policy and see if you have coverage for loss of product.

### **Production & Service**

Precise portion control is crucial in controlling food costs. Physical production should also be viewed at when looking at all cost controls or menu changes. Keep a close eye on your kitchen staff, making sure that all recipes are being followed and over production is not becoming an everyday occurrence. You may need to re-arrange your labor schedule or look at new equipment to help with these changes.

*Below are some tips and suggestions that may be useful.*

1. Labor - Are you scheduling the appropriate amount of labor needed for particular shifts? Is the correct labor staff being scheduled for all needed early AM prep work?
2. Recipes - Make sure all kitchen staff is using the charted, standardized recipes and prep lists.
3. Inventory controls - Do you have strict inventory control procedures in place? If so, are they being followed?
4. Visual Aid - Waste is one of the major culprits in high food costs. One of the ways to help control this is to place a garbage can in kitchen marked "wasted food only" (wrong orders etc...) This will give your staff a visual aid, and help the staff understand just how much food is being lost and wasted. It will also reinforce the amount of money that is being spent on waste.
5. Make sure you have extra staff during holidays and known busy times. A captive audience during busy times requires much more attention. Be prepared, take care of them and they will be back.
6. Utilize all your kitchen space, keep work areas clean and neat.
7. Kitchen traffic patterns - Having a certain traffic flow in your kitchen will reduce unnecessary steps and make better use of staff time. An efficient kitchen saves time and money.
8. Conducting inventory yield tests on a regular basis will better help determine the amount of waste and edible product. What a product yields is dependent on how much of a particular item needs to be trimmed down prior to cooking.
9. Presentation - Plate presentation is an important element for all menus. Entrées that are presented well are perceived to have more value by the customer. Make sure you have the appropriate plate size for each item and make sure it's garnished correctly. Plate arrangement is also important, layout, balance, color and eye appeal are other factors that should always be considered. We eat with our eyes!!
10. Maneuverability - Remember the customer is going to have to eat your masterpiece. Keep it user friendly.
11. Make sure that the kitchen always have a ticket or slip for each meal prepared. Guest checks can provide a path to track food sales.

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## **Standardized Recipes**

*Below are some tips, suggestions and reasons for using standardized recipes.*

1. Using standardized recipes ensures product consistency, uniform quality and taste.
2. Servers will know what dish they are receiving and can communicate to the customer what to expect.
3. Improves cost control by controlling portion size.
4. Using standardized recipes will list item's cost's, which will make easy access to information for pricing.
5. Less supervision will be needed during preparation, saving time and labor.
6. This will help during employee training, saving time and labor.
7. Kitchen will run smoother and efficiently.
8. This will help during inventory and making sure all ingredients are available.

## **Pricing - IMPORTANT!**

Menu pricing is a major component of your food cost equation. Remember, the more you can charge your customer, the lower your food cost will be. Menu pricing is not a lucky guess. Pricing is based upon on a markup of cost, which is figured by determining food cost, sales history and profit margin. The pricing strategy does not end there.

*Below are some considerations, suggestions and tips that may also be used when determining your menu prices.*

1. Pricing decisions are some times influenced by indirect factors such as: Market conditions, location, atmosphere, service style, competition and customer's willingness to pay.
2. Sometimes prices are demand or market driven - When the economy is poor, restaurants are likely to see reduced profits because people may be eating out or driving less. The market will untimely be a large determinant of your prices. In reality, what it cost you to produce a particular item on your menu will not matter if the price is so high that no one will buy it. Always make sure that your prices reflect not only the cost of the item but also what your competition is charging and what your customer is willingly to spend.
3. Remember to always price competitively, market driven prices are more responsive to competition. (keep a close eye on your competitions prices)
4. Price with-in your location - "You would expect to pay more for a grilled chicken sandwich at a steak house then you would at a drive-thru"
5. Pricing can also be determined by the type of service you offer. If a customer has to bus or clean their own table or if paper plates are being used they would not expect to pay more for a item. Always remember, not only will customers pay for quality food but, they will also pay for great service.

## **"SIN LIST" operational / food cost**

Below we've listed just a few food cost and operational "sins" that are often overlooked; the information below is outlined for our operators' reference regarding best practices on a daily basis.

### *Back-of the house tips*

1. Vendor Deliveries not being thoroughly checked-in with regards to correct product, qty, condition, temp and invoice pricing.
2. Food order not being promptly stored at the correct storage temp. (Neglecting the temp controlled product). Failure to handle the product in accordance with manufacturer, industry and dept agriculture standards can lead to food safety concerns and unnecessary exposure. IE. (Keep frozen until ready RTU)
3. Storage areas being left unlocked are an invitation for employee pilferage. This is a growing problem.
4. Product being improperly stored on floor(s) of walk-in freezer or coolers.(Department of agriculture violation)
5. Preventing and controlling pest infestation through the use of professional services. (preventive maintenance)
6. Controlling shut down and turn-on times of all kitchen equipment, Use of timers for all lighting (Inside & Out)
7. Portion control, DAILY USE OF SCALES (Very Important) ( annualized impact is significant )

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8. Employee's consumption of food with no accountability (This will eventually drive up food cost)
9. Kitchen staff not completely (scraping out) using all food in containers. (Leading to product waste)
10. Wasted food / product shrink due to over production of food. (Over prepping). Recommend establishing production par levels based on sales history.
11. Leaving chemicals stored next to food products, causing cross-contamination & spoilage. (possibility of consumer poisoning)
12. "Improper thawing" - Leaving frozen or refrigerated product out on counters for long periods of time
13. Product not being rotated properly (proper labeling - stock/rotation).
14. Poorly trained employees. Contributes to wasted labor, inconsistent dishes (Unhappy customers)
15. Reduced yields on products caused from not using standardized recipes and scales or mfg. Instructions.
16. Lack of perpetual inventory to accurately verify inventory levels, monthly FC %, as well to build correct product "Par levels".
17. Cross contamination due to the improper or mishandling of raw and prepared products.
18. Dried or rotted door seals, ice build-up or improper working door handles, causing fluctuating temperatures.
19. Example of Improper defrosting techniques being used. (Left out all night at room temp)
20. Employee's neglect regarding proper hygiene guidelines required by state and local government.

#### Front of the house tips

1. No accountability of tickets or guest checks. (Use of POS or duplicate guest checks)
2. Poorly trained servers and managers (Very Important) They are the restaurants "Salesman"
3. The giving of unauthorized customer or employee discounts.
4. Proper use and control of paper coupons and Gift certificates. (Proper documentation)
5. Proper use of cross-trained employees. (Right person being used during the right times)
6. Accountability of all daily cash deposits. (Over/short reports)
7. Proper training of all management positions. A location is only as strong as the (management) positions.
8. Over staffing and schedule control. The use of a daily labor log is helpful with proper scheduling.
9. Beverages not being charged for (coffee, soda, tea). This happens when servers are not properly trained.
10. Portion control and correct distribution of Brds/ Rolls / butter / creamers, condiments, napkins, beverage re-fills etc... (Proper training)
11. Leaving perishable items out at closing shifts. (Managers nightly walk through, closing lists for each area)
12. The hours of operation being offered. (Compare sales to the actual hours of active business). This would directly effect labor hours as well other variable cost associated with hours of operation.
13. Un-cleaned, unattractive restaurant, (cleaning list being neglected) poor or improperly trained management.
14. Pre-shift server/host/bartender meetings. This a very quick and convenient way to inform a particular shift day or evening of any special event and/or any food, beverage or dessert specials that is being offered.
15. Server and management knowledge of current menu or any featured entrée's, beverages and desserts. This menu knowledge helps create a faster turnover of covers, with the reduction of wasted trips by a server or management to the kitchen with unanswered questions from the customer. (Pre-shift meetings)
16. Floor or dining room server sections. Keeps customer service and traffic flow running efficiently.

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