FEATURED ARTICLE

The Path to Perfection: Approaching the Perfect Food Cost Part 4

Featured in the January/February 2017 issue of The Boardroom Magazine.

BY BILL SCHWARTZ

If you missed my articles in the last three issues – parts 1-3 of this series (e-mail me if you would like a copy), we discussed the concept of running a perfect food cost. We defined perfect food cost as the cost required to provide exactly the amount of food required to meet the legitimate need for it during the period in question. And we discussed the path to achieving, or at least getting closer to the perfect food cost. The last article dealt with the inventory management section of the path, and this article takes the next step by dealing with culinary processes, variance calculation and resolution.

The final steps on the path to perfection deal with culinary processes used to identify and reduce variance. As discussed earlier, waste control and overportioning represent the most significant percentage of variance. In addition to policies associated with getting maximum prep yield and identifying waste through visualization techniques (clear bins and trash containers), there is a need for collection of waste data for things that end up down drains. There are two effective approaches to this problem.

First, culinary staff can be directed to stage items for drain disposal. This would mean not allowing kitchen staff to dump waste in the sink, and instead asking them to place these items on a table. The items would be examined and tallied on waste sheets prior to disposal. The second approach is the honor system, where kitchen staff can dispose of these items, but only after writing them down on the waste sheet themselves. In both cases, the objective is to document this type of waste for subsequent analysis. In many cases, the same types of things are dumped each day, allowing for waste sheet templates to be developed listing these items with blanks for filling in quantities. Waste sheets are critical elements of the path.

The other culinary process relates to overportioning. In most cases, overportioning results from a lack of education,

lack of proper utensils or simple expediency. How many line cooks know the correct portion for a side of fries, or the correct number of ounces of turkey on a turkey sandwich? How many know the correct recipe for a batch potato salad? Two suggestions seem to help with these issues. Testing the staff on portion sizes and recipes and making sure written recipes are available for reference in the kitchen can make a significant difference. Demoing portion sizes – for example by placing the correct portion of fries on a plate and leaving it on the line for reference – can also provide visual cues for hand-portioned items. Adults learn better with their eyes than their ears.

Finally, the path requires reporting to identify variances and action steps to reduce or prevent them in the future. Waste sheets are basically variance reports themselves. Examining the waste and perhaps even extending the value and ranking items by waste cost may lead to approaches like adjusting batch sizes that can reduce these costs. Key item variance reports can be produced easily for high value items like steaks and seafood.



Even small variances in these items can be expensive. This is done by taking inventory and collecting purchase quantities of these key items at the end of each day, collecting quantity sold information for any menu item that uses these items, and calculating the actual and ideal usage. My next article, while not part of this series will address the calculation of key item variances specifically. Tracking this variance information on a daily basis and developing action steps to reduce or eliminate them will help get food costs closer to the perfect level we strive for. Following the principles and practices outlined in this series will give you the best shot – short of implementing an automated system – at approaching your perfect food cost!

About the author: Bill Schwartz is the founder and CEO of System Concepts, Inc. (SCI). Based in Scottsdale Arizona, SCI is a food and beverage procurement and inventory management consulting firm and the developer of the FOOD-TRAK System, which is widely used in club operations around the country. Bill can be reached at 480-951-8011 or bills@foodtrak.com.



FOOD®TRAK®