

Cost Management Strategies

**Optimizing Expenses
Across the Flow of Food
Cycle through Effective
Systems and Processes**

RO Restaurant
owner.com

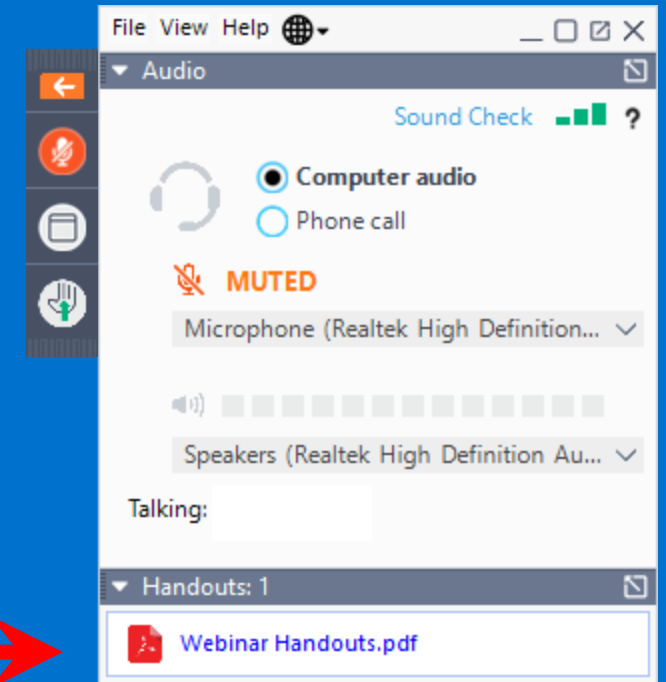


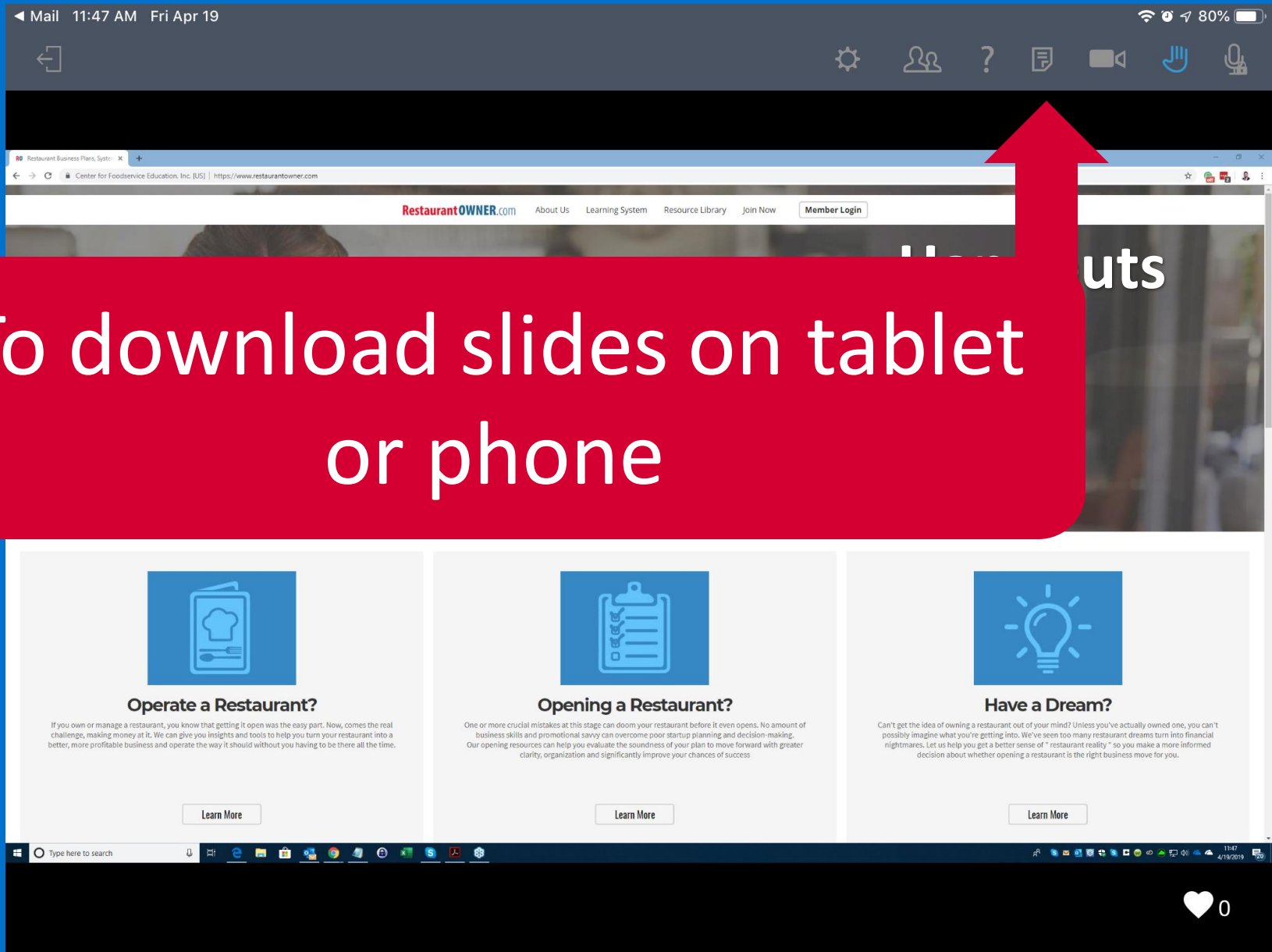
Welcome!

Today's webinar will be starting shortly.

Go to “Handouts” tab to
download slides

Handout / Slides



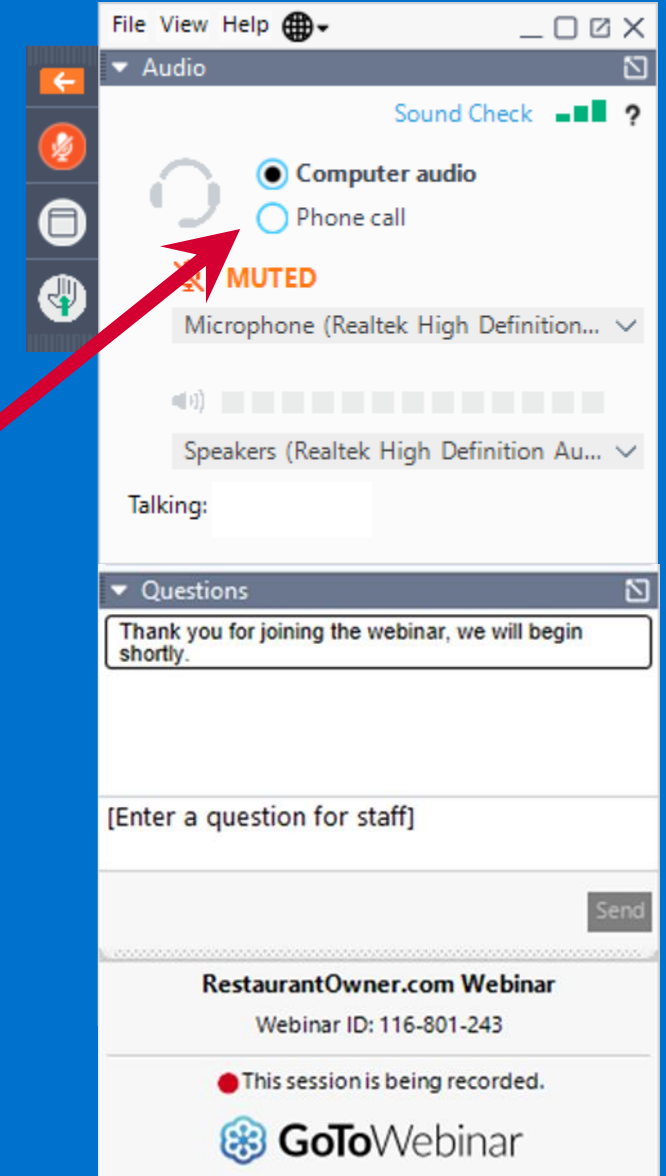


To download slides on tablet
or phone



If you have audio issues

Click “Phone Call” on “Audio” tab and dial number to listen on your phone



Webinar Controls

(desktop or laptop)

Handouts / Templates
Questions / Chat

Questions / Comments

The screenshot shows a webinar control interface with a sidebar on the left and a main content area on the right. Red arrows point from the text labels to the corresponding controls:

- A red arrow points from the main title to the sidebar.
- Two red arrows point from the 'Handouts / Templates' and 'Questions / Chat' text to the 'Handouts: 1' and 'Questions' sections of the sidebar.
- A red arrow points from the 'Questions / Comments' text to the 'Send' button in the main content area.

The sidebar contains the following controls (from top to bottom):

- Back arrow
- Microphone icon
- Document icon
- Hand icon

The main content area contains the following sections (from top to bottom):

- File View Help
- Audio section: Sound Check, Computer audio (selected), Phone call, MUTED, Microphone (Realtek High Definition...), Speakers (Realtek High Definition Au...), Talking: [input field]
- Handouts: 1 section: Webinar Handouts.pdf
- Questions section: Thank you for joining the webinar, we will begin shortly. [input field]
- [Enter a question for staff] [input field]
- Send button
- RestaurantOwner.com Webinar, Webinar ID: 116-801-243
- This session is being recorded.
- GoToWebinar logo



Webinar Controls (tablet or phone)

The screenshot shows a mobile browser interface. At the top, the status bar displays "Mail 11:47 AM Fri Apr 19" and "80%" battery. Below the status bar is a dark navigation bar with several icons: a back arrow, a gear (settings), a person icon, a question mark icon (highlighted with a red arrow), a document icon, a video camera icon, a hand icon, and a microphone icon. The browser address bar shows "Center for Foodservice Education, Inc. [US] | https://www.restaurantowner.com". The website header includes "RestaurantOWNER.com" and navigation links: "About Us", "Learning System", "Resource Library", "Join Now", and "Member Login". The main content area features a large image of a smiling woman with the text "Questions / Chat" and "We help independent restaurant owners build successful businesses". A blue "Learn More" button is positioned below the text. Below this are three content blocks, each with an icon and a "Learn More" button:

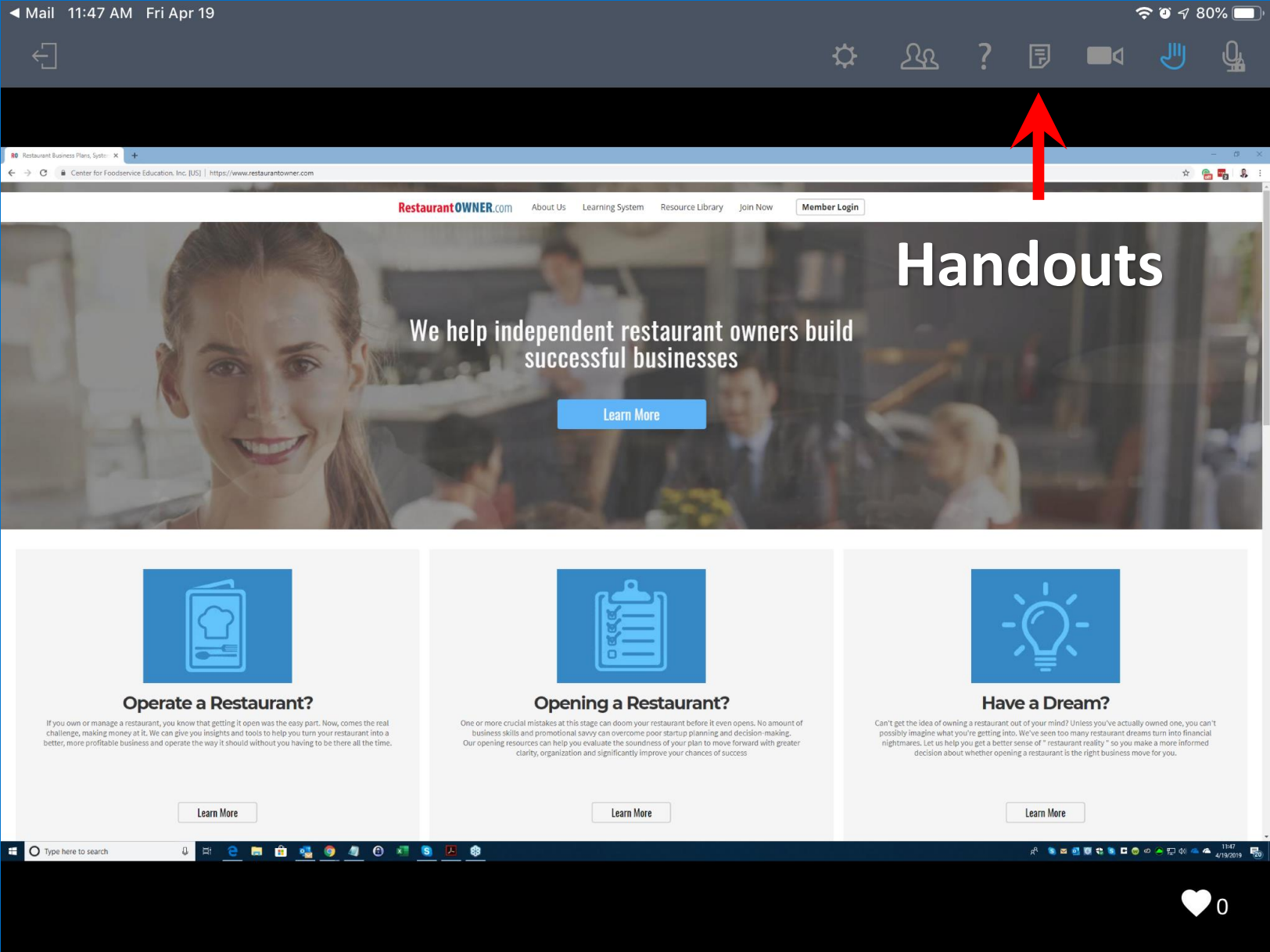
- Operate a Restaurant?** (Icon: Cookbook) - "If you own or manage a restaurant, you know that getting it open was the easy part. Now, comes the real challenge, making money at it. We can give you insights and tools to help you turn your restaurant into a better, more profitable business and operate the way it should without you having to be there all the time."
- Opening a Restaurant?** (Icon: Clipboard) - "One or more crucial mistakes at this stage can doom your restaurant before it even opens. No amount of business skills and promotional savvy can overcome poor startup planning and decision-making. Our opening resources can help you evaluate the soundness of your plan to move forward with greater clarity, organization and significantly improve your chances of success."
- Have a Dream?** (Icon: Lightbulb) - "Can't get the idea of owning a restaurant out of your mind? Unless you've actually owned one, you can't possibly imagine what you're getting into. We've seen too many restaurant dreams turn into financial nightmares. Let us help you get a better sense of "restaurant reality" so you make a more informed decision about whether opening a restaurant is the right business move for you."

The bottom of the browser shows a search bar with "Type here to search" and a Windows taskbar with various application icons. In the bottom right corner of the browser, there is a heart icon and the number "0".



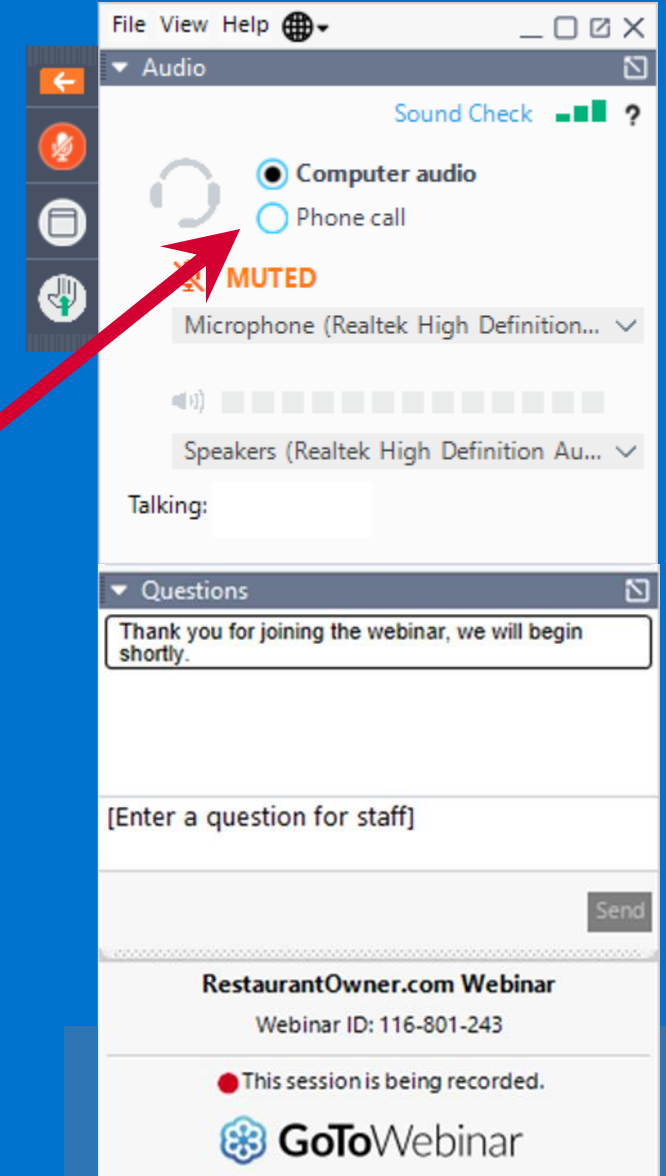
Webinar Controls

(tablet or phone)



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Chip Romp
Sr. Director, Workforce and Business Services

NATIONAL
RESTAURANT
ASSOCIATION


CHART
An Association of
Hospitality Trainers


Applebee'sSM

DAMON'S
Grill


Filbiano's
EAT • DRINK • PLAY


FAZOLI'S


Ovation[®]
BRANDS

Sustainable Restaurant Success

Requires 3 Core Competencies!



Things You Will Learn...



I know this



I know this, but WOW
that is a new twist

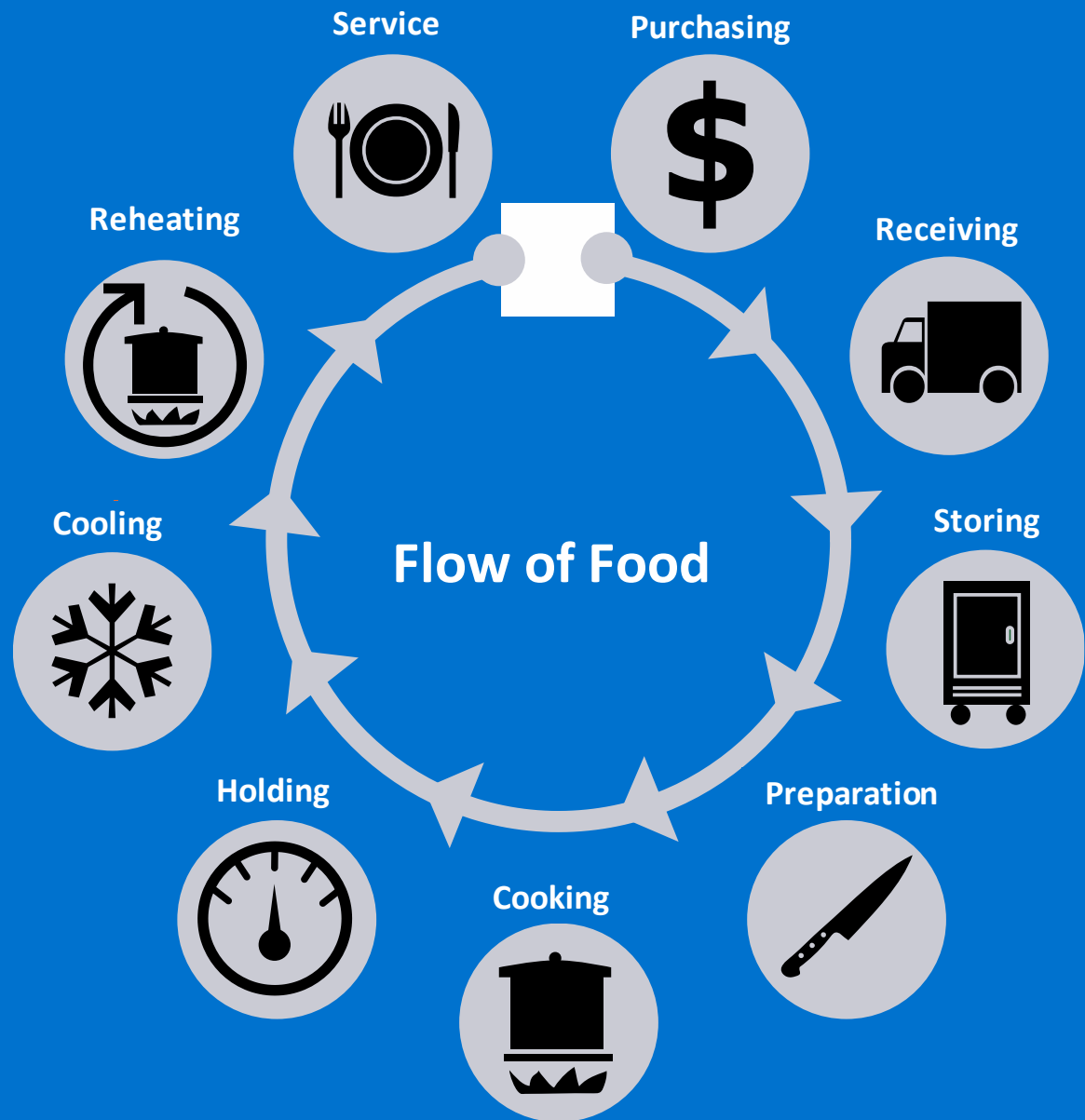


New Information

"Cost control is not just about saving money; it's about ensuring the longevity and success of your restaurant."



The Flow of Food



What are the Ways to Control During:

- Purchasing
- Receiving
- Inventory
- Food Preparation & Service



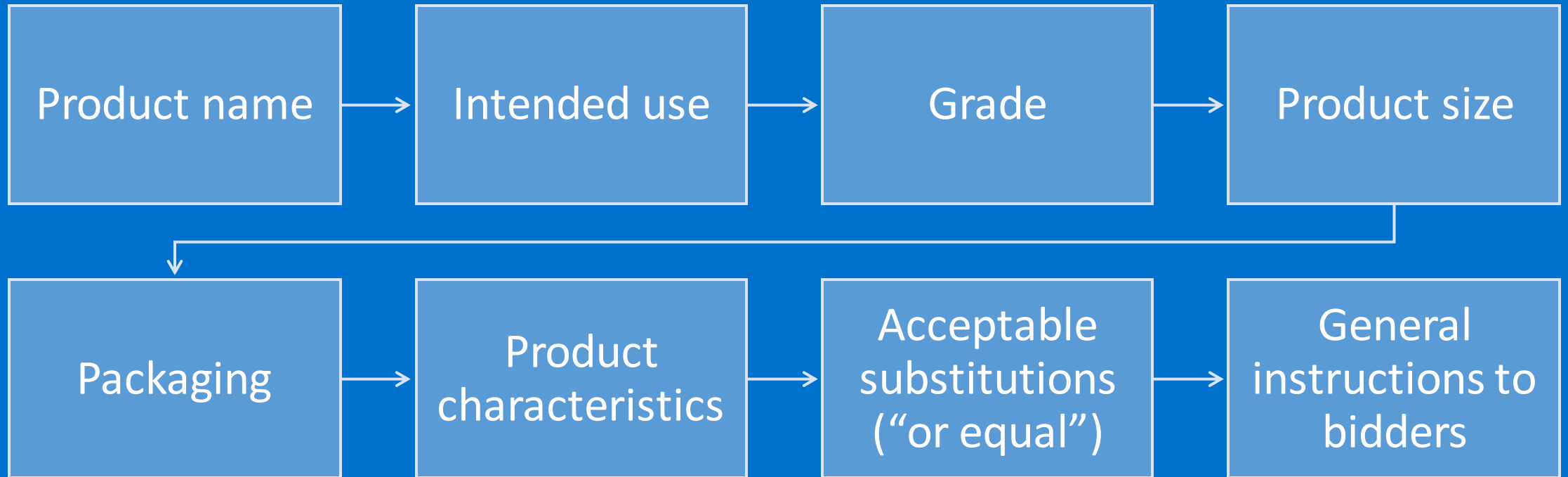
Controlling Costs During Purchasing

Comment in Chat:

What are some cost control systems you use for purchasing?



Product Specifications



Determining Product Usage

Establishing Par Levels

Meat	Unit	Supplier	Monday			Thursday			Monday			Thursday		
			Par	Inv.	Buy	Par	Inv.	Buy	Par	Inv.	Buy	Par	Inv.	Buy
1. Prime Rib	Each	Chef Meat	4	2	2	6	2	4	4	3	1	6	0	6
2. Duck	Each	Betty Poultry	4	2	2	8	2	6	4	3	1	8	1	7
3. New York Strip Steak	Each	Chef Meat	24	6	18	48	12	36	24	4	20	48	8	40
4. Beef Patties	Case	Chef Meat	2	1	1	4	1	3	2	1	1	4	1	3
5. WOG Chicken	Each	Betty Poultry	36	4	32	48	8	40	36	6	30	48	7	41

PURCHASING METHODS

	Competitive Quotes	Standing Order	Prime Vendor	Cost-Plus	Sealed Bids	Commissary
Primary Use	Independent establishments, smaller operations	Bakery, coffee, dairy products	Independents and chains	Chain operations	Large foodservice units such as schools, hospitals, government agencies	Chains and franchised operations
Requirements	Detailed specs	Par level; must show manager what is removed and brought in	Operation specs; par level	Purchase 100% of product line from one purveyor	Amount needed for a period of time, usually a year	Paper supplies printed with company logo; purchase 100% of supplies
Pros	Lowest price	Keeps stock levels even	Delivery costs reduced with one truck stopping; purchasing online	Lowest possible price	Lowest bid	Efficient; customized supplies
Cons	Lack of specs could lead to lesser-value shipments	Abuse by delivery person; food cost goes up	If supplier is out of item, no backup purveyor; supplier may not offer lowest prices	No competition between bidders	Delivery times need to be negotiated	Often owned by parent company of restaurant chain; conflict of interest

The Order Guide

Item Description

Pack and Size

Purchase Unit

Count Unit

Vendor

Vendor Item Code

Par Level

Order History

Usage Rate

On-Hand Count



Purchasing Cycle

Purchase requisition

Purchase guide

Invoice

Receiving report

Invoice approval process

RestaurantOwner.com Resources

The screenshot shows the top navigation bar with links for Home, My Bookmarks, Resource Library, Events, Forum, Learning System, Hi Chip, and CP. Below the navigation is a search bar with the text "Start typing to SEARCH over 1000+ resources". The main heading is "Resource Library" with a subtext: "Quickly find the specific resources you want by using our state of the art content filters. Filter by content type or topic." Below this are several filter buttons: Most Recent, Articles, Downloads, Online Courses, Success Stories, Surveys, Systems, Training Videos, and Webinars/Podcasts.

This screenshot shows a resource page titled "Running Inventory Order Guide" under the "Operations" category. It includes a "SYSTEM" label, a "Bookmark This" button, and a "Print" button. The text describes the guide as a multi-purpose system for ordering and inventory control. It lists users: Kitchen Manager, Chef, General Manager. A section titled "Benefits of the Key Item Running Inventory System:" includes a bulleted list of advantages such as simplifying inventory counts, providing a view up to four weeks of ordering history, and accurately controlling inventory levels.

This screenshot shows a resource page titled "Approved Vendors List" under the "Operations" category. It includes a "DOWNLOAD" button, a "Bookmark This" button, and a "Print" button. The text explains the importance of having an approved list for repair and maintenance needs. A section titled "Summary of Features & Benefits:" includes a bulleted list of features, such as ensuring fair prices, quick determination of vendors to call, and availability in RTF format for modification.



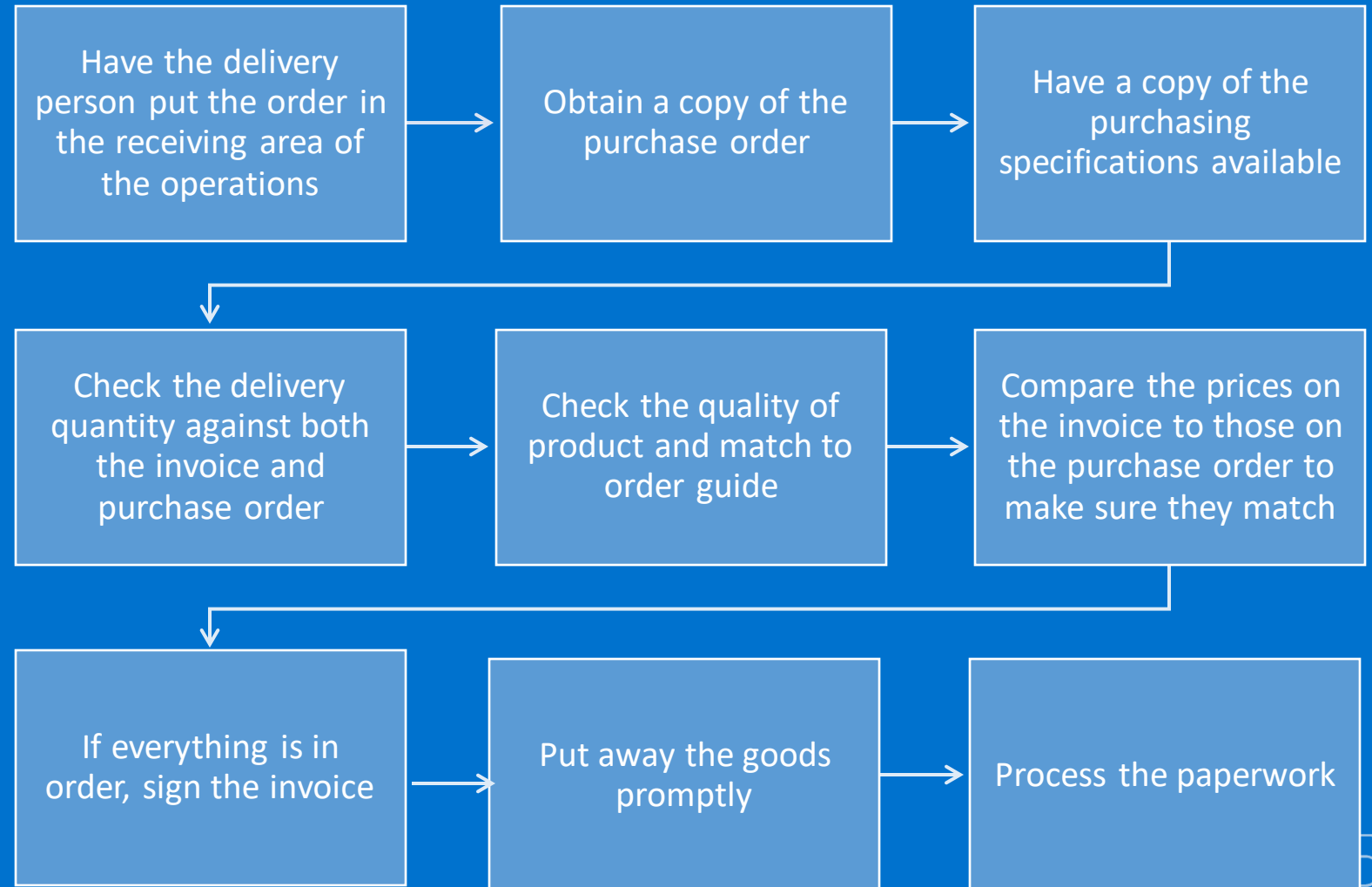
Controlling Costs During Receiving

Comment in Chat:

What are some cost control systems you use for receiving?



Receiving Process



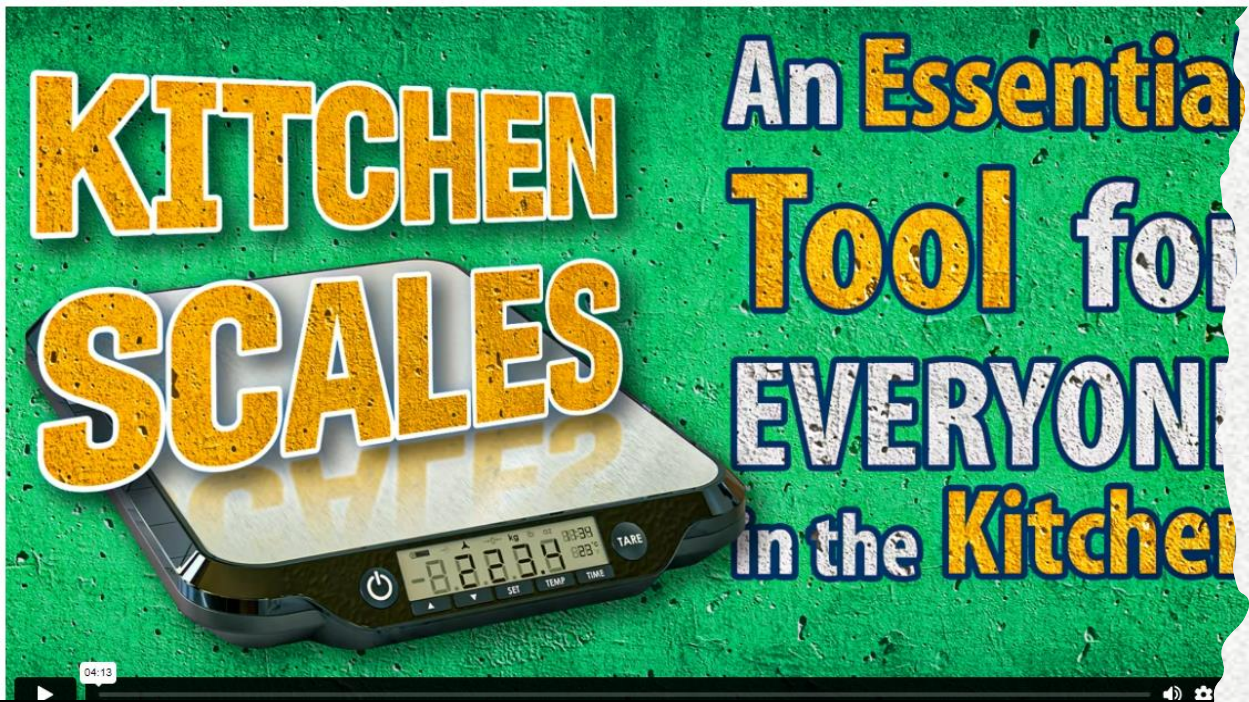
Quality & Safety Control Procedures

Storage Temperatures

Time and temperature
control

Sanitation Practices





RestaurantOwner.com Resources

Share This

Bookmark This

Print

Share
f
t
in
v

ARTICLE

Measuring up - How to Select Scales for a Restaurant

By Robert Rossier

Weighing a piece of chicken, beef or pork is a pretty simple process. Just place the portion on the scale, and either read the digits or see where the needle lies, and you've got your weight. It's not exactly rocket science, and even if you're off a little bit, it probably won't matter in the grand scheme of things, right?

Not exactly. As it turns out, there's a bit more to weighing than first meets the eye, and if you're not paying attention, using the right tool, and taking care of that tool, it could be costing you more than you think.

Scale Basics

Scales serve two primary functions in the restaurant business, and are generally classified as either receiving scales or portioning scales. Receiving scales are used to verify the weight of food and items delivered to the restaurant to ensure you haven't been "shorted." Portioning scales are used to ensure that portion sizes are kept consistent -- neither too little (bad for the customer) nor too much (bad for you).



Controlling Costs - Inventory Management

Comment in Chat:

**What are some cost control systems you use
for inventory?**



Inventory Best Practices

- Frequency
- Two-people (counter/recorder)
- Set-up / Flow
- Measuring methods (consistency)
- Tools
- Pricing



Inventory – Days on Hand

Weekly Inventory

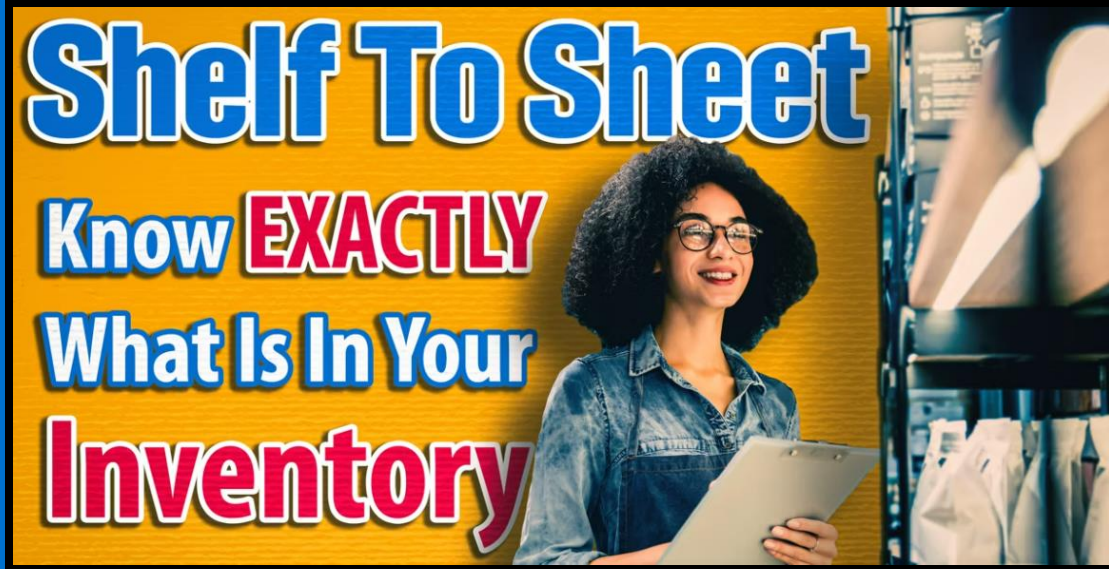
$$\begin{aligned} \text{Beginning inventory} + \text{Purchases} - \text{Ending inventory} &= \text{Total Cost} \\ \$30,000 + \$9,200 - \$20,500 &= \$18,700 \end{aligned}$$

$$\begin{aligned} \text{Total Cost} / \text{Days between inventory} &= \text{Average Daily Cost} \\ \$18,700 / 7 &= \$2,671 \end{aligned}$$

$$\begin{aligned} \text{Ending Inventory} / \text{Average Daily Cost} &= \text{Days on Hand} \\ \$20,500 / \$2,671 &= \mathbf{7.6 \text{ Days}} \end{aligned}$$



Resource Library - Inventory



Operations



Share This

DOWNLOAD

Perpetual Inventory & Ordering Template



Bookmark This

Effective systems and controls are the cornerstone of successful chain restaurants. Having a streamlined ordering procedure and sound inventory control are crucial to maintaining consistent cost of sales and product availability.



Print

Running out of product or having product disappear not only cost you money, it significantly affects your guests' opinion of your restaurant.

Share



Ordering and inventory control should not be a two step process. This multi-purpose form serves as both an ordering tool and a perpetual inventory control for every product in your restaurant or bar. It is ideal for tracking key food items, liquor storage rooms, uniforms, linens, expensive cleaning supplies, smallwares and merchandise.

Forms can be printed and posted on a clipboard in the kitchen, bar or office for use when ordering or receiving. This tool can be used for virtually every item in your restaurant.



Controlling Costs During Food Preparation and Service



Comment in Chat:

**What are some cost control systems you use during
Food Preparation & Service?**

Importance of Standardized Recipes

- Ensuring **consistent** quality
- Ensuring **consistent** portion size
- Helping purchasers to understand what to purchase
- Allowing cooks to understand what to prepare and how much of each ingredient is necessary
- Reducing waste, because no one is guessing amounts
- Helping servers to communicate accurate information to guests, such as dishes with potential allergens
- Meeting guest expectations for consistent dishes
- Helping managers to determine a dish's costs



Building a Recipe

Title: *Name of the recipe*

Yield and Portion: *Servings or amount the recipe will make, portion size for individual*

Ingredients: *Food items needed to make the recipe*

Tools and Equipment: *Size and type needed, temperature, cooking time, preheating instructions*

Procedures: *Step-by-step assembly directions describe how, and when, to combine the ingredients*





Title

Yield and Portion

Ingredients

Tools and
Equipment

Procedures

Pizza Sauce

Yield: 20 pizzas (12" each)

Portion size: 10 ounces (volume)

Ingredients:

- 8 oz whole butter
- 12 oz olive oil blend
- 52 oz onions, diced
- 2 tbsp garlic powder
- 4 tbsp dried basil leaf
- 2 tbsp dried oregano leaf
- 2 tbsp kosher salt
- 3 tbsp sugar, granulated
- 1 tbsp ground black pepper
- 3 tbsp whole fennel seed
- 1 can (#10 can) tomato sauce
- 78 oz vol (2 qt + 1.75 cups) tomato paste
- 16 oz water

Tools and Equipment:

10-quart saucepot with lid, large whisk, heat-resistant rubber spatula, standard burner, 2 full-size hotel pans, ice bath

Procedure:

1. In 10-quart saucepot, melt butter with the oil.
2. Add the onion and garlic and sauté until soft and transparent, 3–4 minutes.
3. Add basil, oregano, salt, sugar, pepper, and fennel; sauté 2–3 minutes.
4. Add tomato sauce and paste and stir until smooth.
5. Simmer on low for 30 minutes or more, covered.
6. Adjust thickness with water.
7. Divide sauce evenly into hotel pans; place into ice bath and cool to 70°F (21°C) within 2 hours.
8. Continue cooling until internal temperature reaches 41°F (5°C), within 4 additional hours.
9. Place into a polycarbonate food storage box with a lid; label and date for storage.
10. Store in cooler or freeze until needed.

Prep Sheets & Station Diagrams

Blue Fish Grill		Daily Prep Checklist				Restaurant owner.com	
DATE: _____		DAY OF WEEK: _____					
POSITION: <u>Prep Cook I</u>							
Menu Item / Product	Shelf Life	Container/ Batch Yield	Par Levels		Amount on Hand	Amount to Prep	Comments
			Sun - Wed	Thu - Sat			
Bleu cheese dressing	3 days	8-qt. round	0.50	1.25			
Italian vinaigrette	3 days	4-qt. round	0.50	1.00			
Honey mustard dressing	3 days	8-qt. round	0.75	1.50			
Cocktail sauce	3 days	1/4 pan	1.00	2.00			
Tartar sauce	3 days	1/4 pan	1.00	2.00			
Shredded cheddar	5 days	4-qt. round	0.50	1.00			
Shredded jack cheese	5 days	4-qt. round	0.50	1.00			
Chopped onions	3 days	1/2 pan	0.50	1.00			
Chopped green onions	3 days	1/4 pan	1.00	2.00			
Sliced mushrooms	1 day	1/3 pan	1.00	3.00			
Croutons	4 days	2-qt. round	0.50	1.50			
Angel hair portions	2 days	8-oz. portion bag	12.00	20.00			
Fettuccine portions	2 days	8-oz. portion bag	15.00	30.00			





Monitor Quality & Quantity

Controlling Quality with Line Checks



Line Check

Bluefish Grill



Manager: Jason H.

Station: Grill

Date: 8/28

Item	Shift Par		Quality Check		
	Lunch <input checked="" type="checkbox"/>	Dinner <input checked="" type="checkbox"/>	Temp <input checked="" type="checkbox"/>	Taste <input checked="" type="checkbox"/>	Visual <input checked="" type="checkbox"/>
8 oz chicken portions	25	35	40°-45°		
Au Jus (heated)	6 qt	6 qt	145°		
Prime Rib Roll	1	2	130° center		
8 oz. Filet	6	8	40°-45°		
12 Strip	8	12	40°-45°		
Steak Mushrooms	2 qt	2.5 qt	145°		
Seasoning (shaker)	1	2	n/a		
Red snapper portion - 6oz	6	12	35°-40°		
Butter portions - 1oz	50	75	40°-45°		
Garnish setups (lettuce/tom/onion)	60	80	40°-45°		
Garlic butter baste (melted)	1 qt	1.5 qt	80°-90°		
Mushroom backup	1/2pan	1/2pan	40°-45°		

Don't throw away quality food if there's a good way to use it in another recipe.






R

Monitor Employee Behaviors



Beverage Quality Standards



A close-up photograph of a bartender's hands pouring a vibrant pink cocktail from a silver shaker into a martini glass. The shaker is held at an angle, and a thin stream of liquid falls into the glass. The bartender's face is blurred in the background, and the bar setting is out of focus. A black rounded rectangle with white text is overlaid on the center of the image.

You have to maintain the same standards in the bar area as in the food production area.



Portion Control Pre-Portioning

**The Basics of
Portion
Control**

**What everyone in the
kitchen should know!**

A chef wearing a white uniform and a black apron is smiling. He is holding a small white bowl and appears to be preparing or garnishing a dish. The background is a solid blue color.

What is one way to increase employee production?

- A. Station diagrams
- B. Schedule more employees
- C. Job descriptions
- D. Timecards



Serving cold food to guests that should be hot causes:

- A. profits to remain the same
- B. less work for employees
- C. costs to increase
- D. costs to decrease



Placing vegetables in baggies before service is an example of:

- A. pre-made items
- B. training
- C. pre-portioning
- D. under portioning



In terms of cost control, what is just as important as training for managers to do?

- A. Follow-through
- B. Have stand-up meetings
- C. Give performance reviews
- D. Do service checks



RestaurantOwner.com Resources

Operations

SYSTEM

Restaurant Kitchen Management Systems

Select a system to show a listing of the resources available



Print

Share



Purchasing and Receiving System Resources



Daily Prep System Resources



Menu Production System Resources



Recipe Management System Resources



Inventory Control System Resources



Checklists System Resources

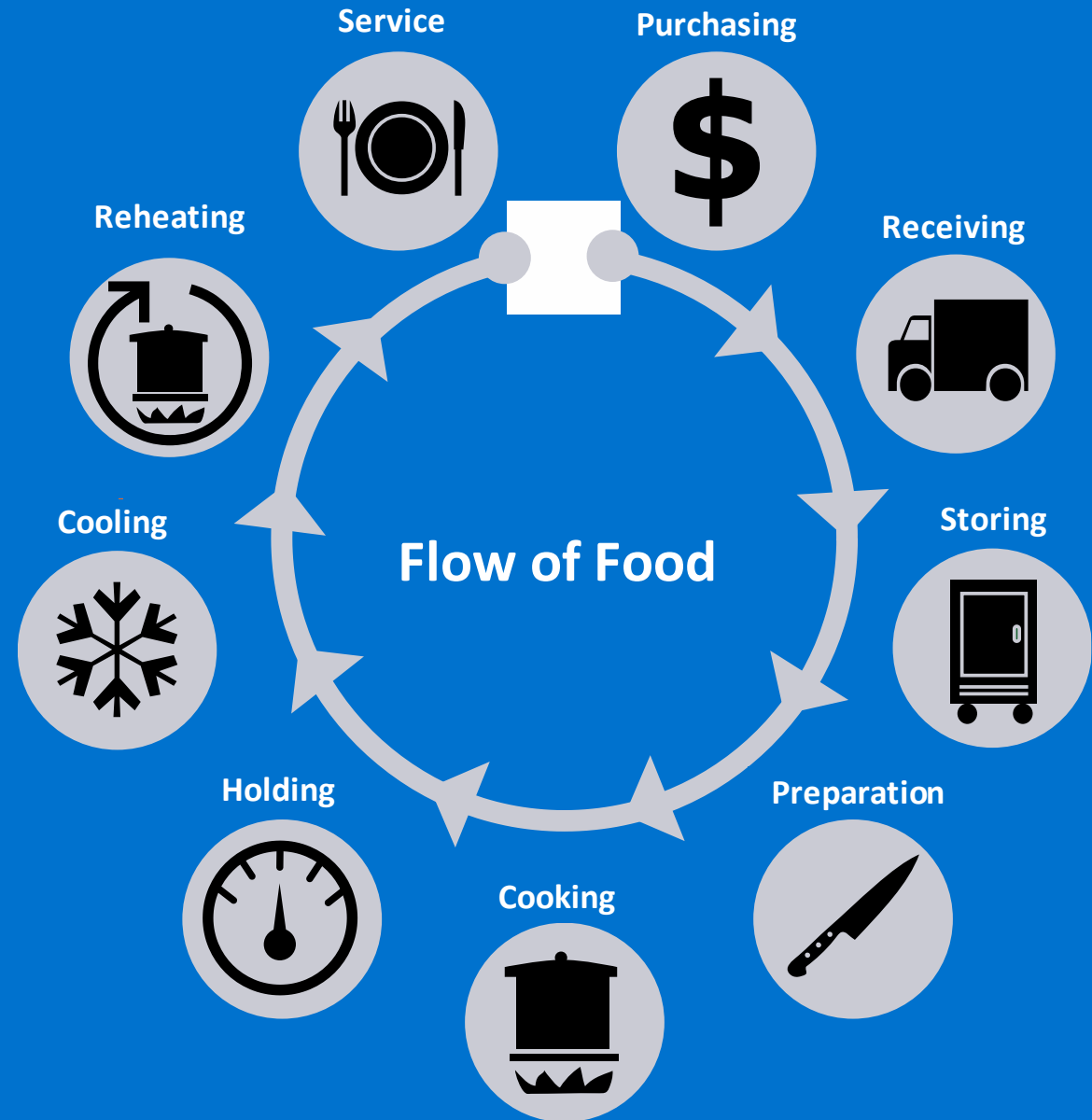


Service Cost Controls

- POS Control Systems
- Everything rung in
- Handling payments
- Suggestive selling / upselling



The Flow of Food



Share the Knowledge



 Start typing to SEARCH over 1000+ resources

Settings and Preferences

My Account

- My Account
- Payments/Receipts**
- Cancel Account
- Contact Us
- My Bookmarks
- Upgrade Team Plan

My Restaurant Team

- Get Started
- Add/Edit Restaurants
- Add/Edit Managers
- Add/Edit Team Groups
- Add/Edit Team Members
- Send Login Link
- Shared Resources
- Shared Courses
- Restaurant Team Learning Progress

Membership Settings and Preferences

Use this menu to access your account settings, add managers and restaurants and set sharing preferences.

- Help
- My Membership
- My Bookmarks
- Logout

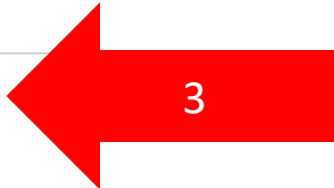
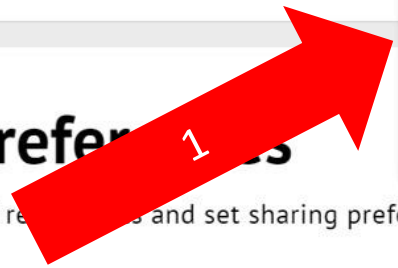
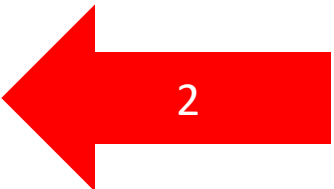
To add a manager, click on the "Add Manager" link below. [Click here to increase the number of managers your membership plan allows.](#)

You can set access rights to:

- Give managers access to the Discussion Forum
- Allow managers to share resources and courses* with Team Members
- Allow managers to add and edit team members
- Allow managers to add and edit restaurants
- Allow managers to add and edit online checklists

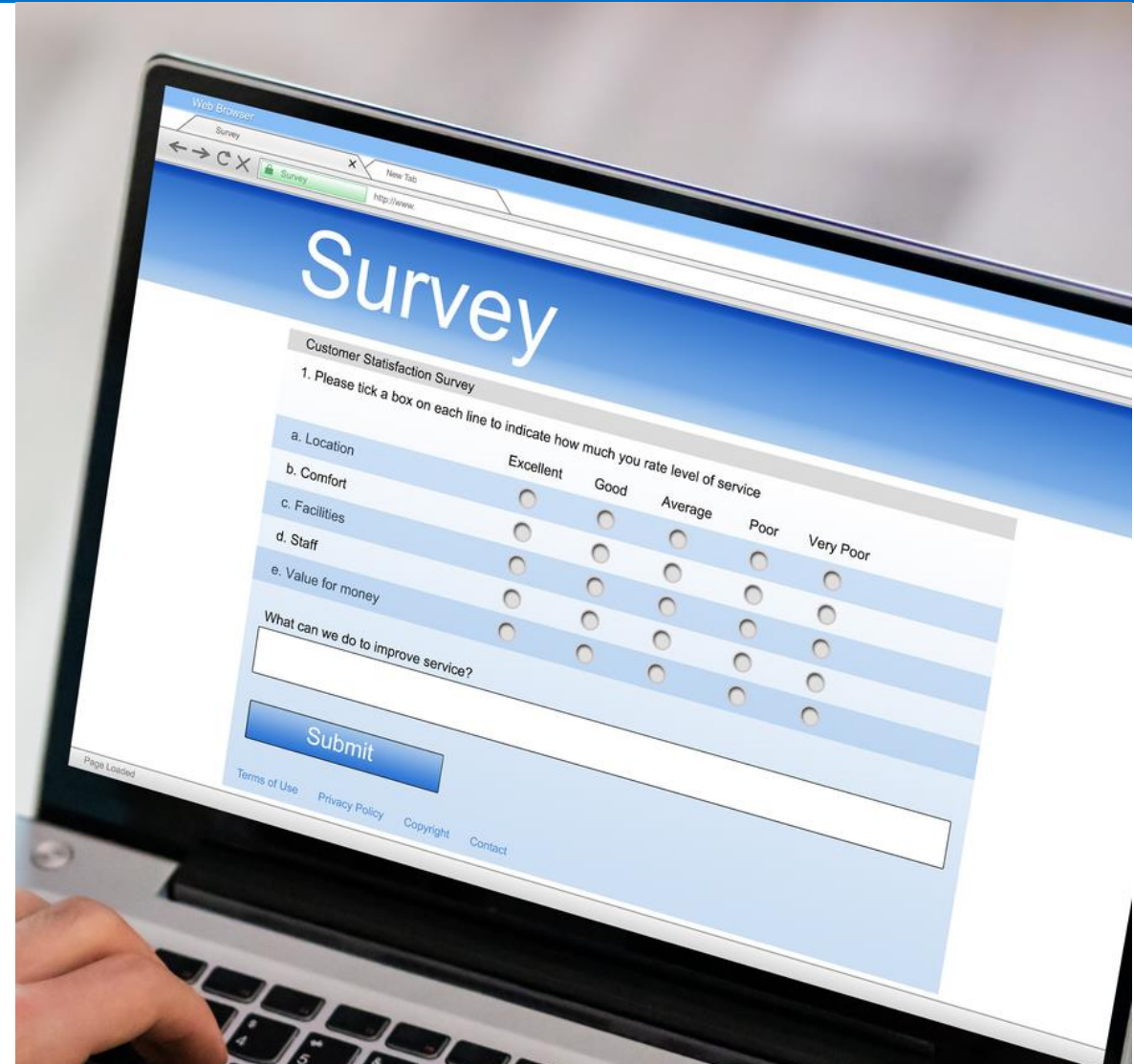
Add Manager

Filter by Restaurant: All



Cost Management Strategies

Please give us
your feedback!



Cost Management Strategies

Q&A

RO Restaurant
owner.com



Coming August 9th

Creating an Experience Worth Coming Back For: How Knowing Your Menu Creates Loyal, Repeat Guests



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Thanks for attending!

