

Food Cost Webinar

The 3 Most Impactful Food Cost Controls for Independent Restaurants

Welcome!

Restaurant owner.com



1

In The Last Week?



Were you in your kitchen?

2

In The Last Week?



In the walk in?

3

In The Last Week?



Did you sign for a delivery?

4

In The Last Week?

When was the last time you tasted your entire menu?



5

There's a LOT Going on in Your Kitchen!

Purchasing

Receiving

Storing

Tagging

Rotating

Issuing

Lots of opportunities for things to go wrong!

Preparation

Portioning

Line Checks

Timing

Plating

Cleaning

6

There's a LOT Going on in Your Kitchen!

Purchasing

Receiving

Storing

Tagging

Rotating

Issuing



Owner

Preparation

Portioning

Line Checks

Timing

Plating

Cleaning

7

There's a LOT Going on in Your Kitchen!

Purchasing

Receiving

Storing

Tagging

Rotating

Issuing

Your PEOPLE Control Your Food Cost



Your PEOPLE Control Your Quality & Consistency

Preparation

Portioning

Line Checks

Timing

Plating

Cleaning

8

Food Cost Best Practices

Proven Ways to Cut Costs,
Reduce Waste & Boost Profit
Margins



2 Hour Workshop on
Wednesday, Feb 25th



For managers, chefs, KM & key
kitchen personnel

9

Why Improve Your Food Practices?

1. Control costs

2. Improve profitability

3. Higher quality

4. Greater consistency

5. Food safety



The Guest Experience!

10

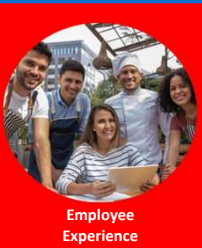
Your Food Practices Affect



Guest Experience



Financial Health



Employee Experience

11



KEY POINT:

Your restaurant has a LOT riding it's food practices!

Huge opportunities for improvement!

RJ

12

Key Concepts for Owners



13

Measuring Performance / Reporting Results



14

Restaurant P&L

	Current Period	
Sales:		
Food	\$ 95,400	80.3%
Liquor	8,900	7.5%
Beer	6,850	5.8%
Wine	7,590	6.4%
Total Sales	118,740	100.0%
Cost of Sales:		
Food	30,300	31.8%
Liquor	1,750	19.7%
Bar Consumables	425	4.8%
Beer	1,750	25.5%
Wine	2,220	29.2%
Total Cost of Sales	36,445	30.7%

Food & non-alcoholic beverage products only!

15

Current Period		
Sales:		
Food	\$ 88,200	74.3%
Soft Beverages	7,200	6.1%
Liquor	8,900	7.5%
Beer	6,850	5.8%
Wine	7,590	6.4%
Total Sales	118,740	100.0%
Cost of Sales:		
Food	29,250	33.2%
Soft Beverages	1,050	14.6%
Liquor	1,750	19.7%
Bar Consumables	425	4.8%
Beer	1,750	25.5%
Wine	2,220	29.2%
Total Cost of Sales	36,445	30.7%

Soft
Beverages

Bottled Drinks
Syrup
CO2
Coffee
Tea

16

Current Period		
Sales:		
Food	\$ 95,400	80.3%
Liquor	8,900	7.5%
Beer	6,850	5.8%
Wine	7,590	6.4%
Total Sales	118,740	100.0%
Cost of Sales:		
Food	30,300	31.8%
Liquor	1,750	19.7%
Bar Consumables	425	4.8%
Beer	1,750	25.5%
Wine	2,220	29.2%
Total Cost of Sales	36,445	30.7%

Restaurant P&L

Food Cost
Food Sales

17

Current Period		
Sales:		
Food	\$ 95,400	80.3%
Liquor	8,900	7.5%
Beer	6,850	5.8%
Wine	7,590	6.4%
Total Sales	118,740	100.0%
Cost of Sales:		
Food	30,300	31.8%
Liquor	1,750	19.7%
Bar Consumables	425	4.8%
Beer	1,750	25.5%
Wine	2,220	29.2%
Total Cost of Sales	36,445	30.7%

Restaurant P&L

Drink Garnishes (olives,
cherries, limes, etc.)
Bar Mixes & Juices

18

Restaurant P&L			
Current Period			
Sales:			
Food	\$ 95,400	80.3%	
Liquor	8,900	7.5%	
Beer	6,850	5.8%	
Wine	7,590	6.4%	
Total Sales	118,740	100.0%	
Cost of Sales:			
Food	30,300	31.8%	
Liquor	1,750	19.7%	
Bar Consumables	425	4.8%	
Beer	1,750	25.5%	
Wine	2,220	29.2%	
Total Cost of Sales	36,445	30.7%	

19

Multiple Food Cost Categories			
Current Period			
Food Sales	\$ 60,000	100%	
Food Cost -			
Meat			
Seafood			
Poultry			
Produce	1,980	3.3%	
Bakery	2,520	4.2%	
Dairy	1,320	2.2%	
Grocery & Dry Goods	2,460	4.1%	
Soft Beverages	1,020	1.7%	
Total Food Cost	19,200	32.0%	

20

Do you break out Food Cost into multiple categories?
(please respond)

How to Calculate Food Cost	
+ Beginning inventory	(value of food on hand)
+ Food Purchases	(food purchased)
- Ending inventory	(food on hand)
Food Cost	(food USED during period)

21

How to Calculate Food Cost

Food Cost Calculation		No Inventory
Food Purchases	\$	10,000
Add - Beginning Inventory		-
Deduct - Ending Inventory		-
Food Cost	\$	10,000

22

Steps to Speed Up Inventory Counts



23

Reduce Inventory Time



Shelves Organized & Labeled



24

Reduce Inventory Time



Products on count sheet in shelf order

Count Sheet

**** 3 Person Count Team ****
1 records /
2 count

25

Reduce Inventory Time

Have a separate count sheet for each storage location

Walk In

Count Sheet

Item	Unit	QTY	PRICE	AMOUNT
APPLES	BA	100	0.45	45.00
BANANAS	BA	100	0.35	35.00
BROCCOLI	EA	100	1.50	150.00
CARROT	BA	100	0.25	25.00
CORN	EA	100	0.80	80.00
CUCUMBER	EA	100	0.40	40.00
EGG	DOZ	100	2.50	250.00
LETTUCE	EA	100	1.20	120.00
POTATO	BA	100	0.30	30.00
SPINACH	EA	100	1.00	100.00
TOMATO	EA	100	0.60	60.00
YOGURT	EA	100	0.50	50.00
ZUCCHINI	EA	100	0.90	90.00

Freezer

Count Sheet

Item	Unit	QTY	PRICE	AMOUNT
CHICKEN	BA	100	1.50	150.00
FISH	BA	100	2.00	200.00
MEAT	BA	100	1.80	180.00
VEGETABLE	BA	100	1.20	120.00

Dry Storage

Count Sheet

Item	Unit	QTY	PRICE	AMOUNT
BEANS	BA	100	0.50	50.00
BREAD	EA	100	0.40	40.00
CEREAL	EA	100	0.60	60.00
COFFEE	EA	100	0.80	80.00
CRACKER	EA	100	0.30	30.00
JAM	EA	100	0.50	50.00
MILK	EA	100	0.70	70.00
PASTA	EA	100	0.40	40.00
SAUSAGE	EA	100	0.60	60.00
SOY SAUCE	EA	100	0.30	30.00
SUGAR	EA	100	0.50	50.00
WINE	EA	100	0.80	80.00

26

3 Key Food Cost Controls

27

1. Weekly Food Costing



28

“What get’s measured,
get’s managed.”

(what get’s managed improves)



29

Benefits of Weekly Food Costing



Greater awareness & accountability
Will change the culture in your kitchen
MUCH faster recognition & response to food cost problems

Your food cost will go down!

30

DAILY INVOICE LOG - FOOD & BEVERAGE PURCHASES									
Week Starting/Ending Dates		1-Jan	7-Jan	PURCHASES					
Supplier	Invoice Date	Invoice Number	Invoice (cheat) Amount	Food	Meat	Bever	Wine	Other	
Bay Seafood	1/2	91265	891.65	891.65					
Northwest Distribution	1/2	331-324	875.20			275.80	599.40		
Spears Liquor	1/2	90057412	1,052.58	1,052.58					
Wells Supply	1/2	52388	239.80	239.80					
Sundown Beer	1/2	P-23841	321.45	321.45					
Adams Meats	1/4	1785642	877.47	877.47					
Bay Seafood	1/4	45856	627.35	627.35					
Jakes Supply	1/5	514421	429.50	429.50					
Adams Meats	1/5	5685612	202.85	202.85					
Adams Meats	1/6	5655547	524.68	524.68					
Bay Seafood	1/6	5444019	621.40	621.40					
Spec Liquor	1/6	90057500	125.40	125.40					
TOTALS				6,496.71	6,496.33	927.18	275.80	599.40	0.00

Invoice Log

31

[illegible]

32

Monday to Sunday Reporting Cycle

Opening managers often count products on Monday mornings anyway

Low inventory levels on Sunday night / Monday morning



33

2. Control Your Inventory Levels



34

When working with food . . .

Keeping too much inventory
is one of the **MOST EXPENSIVE**
practices in the business!



35

Problems With Carrying Too Much Food

Ties up your valuable cash
Leads to over-portioning



36



37



38

"If you buy salad dressing in 5 gallon containers instead of 1 gallon containers, employees don't measure as strictly."

-- John Zehnder
Zehnder's Restaurant



39

Problems With Carrying Too Much Food



Creates more waste & spoilage

Encourages theft

40

Problems With Carrying Too Much Food



Less inventory,
less theft!



41

Track & Monitor Your Inventory Levels

Days In Inventory Ratio

Tells you how much food is on-hand compared to how much is being used each day



42

of Days In Inventory Ratio

Example:

Ending Food Inventory

\$10,000

Food Cost

30,000

Period

30 days



43

of Days In Inventory Ratio

STEP 1

Calculate Average Daily Food Cost

Food Cost (P&L)

\$30,000

of Days in Period

30 days

=

\$1,000



44

of Days In Inventory Ratio

STEP 2

Calculate # Days In Inventory

Food Inventory

\$10,000

Ave. Daily Food Cost

\$1,000

=

10 days




45

of Days In Inventory Ratio

RULE of THUMB

Full Menu

6 to 7 days

Limited Menu

3 to 5 days



46

of Days In Inventory Ratio

Days Per Category

Meat

6.1

Seafood

4.5

Poultry

3.2

Dairy

2.5

Produce

1.1

Bread

2.2

Grocery

11.4



47

When You Reduce EXCESS Inventory



✓ More CASH

✓ Higher QUALITY products

✓ HIGHER product utilization

✓ Lower FOOD COST

✓ More PROFIT

48

How Inventory Reduction Lowers Food Cost

	Week 1	Week 2	Week 3
Weekly Sales	\$ 25,000	\$ 25,000	\$ 25,000
Beg. Inventory	15,000	15,000	14,000
Purchases	10,000	8,500	7,500
Goods Available	25,000	23,500	21,500
Less End. Inv.	(15,000)	(14,000)	(12,300)
Food Cost	\$ 10,000	\$ 9,500	\$ 9,200
Food Cost %	40%	38%	37%
Days Sales in Inv.	11	10	9

Better Portioning

Less Waste

?

Less Spoilage

49

COST OF SALES WORKSHEET

Week Starting/Ending Dates: 1-Jan 7-Jan

	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Add Beginning Inventory	Less Ending Inventory	\$	%
SALES:											
Food	1,106	1,298	1,547	1,758	1,956	2,357	1,647			11,669	73.5%
Liquor	151	205	190	223	350	421	338			1,884	11.9%
Beer	75	101	120	138	140	166	158			898	5.7%
Wine	95	109	185	224	205	350	255			1,423	9.0%
Total Sales	1,427	1,713	2,048	2,343	2,651	3,284	2,398			15,874	100.0%
COST OF SALES:											
Food								4,694	2,359	(2,885)	4,168 35.7%
Liquor								927	1,958	(2,554)	331 17.6%
Beer								276	572	(595)	253 28.2%
Wine								599	1,021	(1,146)	474 33.3%
Total Cost of Sales											5,227 32.9%
Gross Margin											10,647 67.1%

50

Inventory Stats

Category	Ending Inventory	Cost of Sales	Number of Days in Week	Average Cost Per Day	Number of Days On Hand	Inventory Turns
Inventory On Hand:						
Food	2,885	4,168	7	595	4.8	1.4
Liquor	2,554	331	7	47	54.0	.1
Beer	595	253	7	36	16.5	.4
Wine	1,146	474	7	68	16.9	.4
Total Inventory	7,180	5,227		747	9.6	.7

51

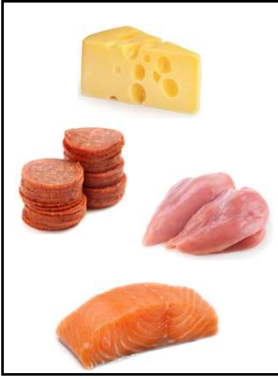
Weekly Trend Analysis

Week Start - Week End -	1-Jan 7-Jan	8-Jan 14-Jan	15-Jan 21-Jan	22-Jan 28-Jan	29-Jan 4-Feb
Number of Days in Inventory					
Food	4.8	5.3	6.4	6.5	6.9
Liquor	54.0	45.5	51.3	55.2	50.7
Beer	16.5	14.2	18.9	25.3	22.1
Wine	16.9	18.2	15.4	18.0	17.3
Total Inventory	9.6	10.5	9.9	11.2	10.1

52

3. Running Inventory on Key Products

53



Running Inventory on Key Products

- 10 – 15 products drives food cost
- Can make up 60-70%+ of total food cost

54



Example: Beef Patties

Opening Inventory	20
Purchases	100
Total Available	120
Less Sales	(40)
Ending Inventory - IDEAL	80
Ending Inventory - ACTUAL	78
Difference	(2)

55



Example: Beef Patties

Opening Inventory	20
Purchases	100
	120
	(40)
	80
Ending Inventory - ACTUAL	58
Difference	(22)

Do you count key products every day? How many?

56

YEA BUT . . .

"We don't have time to count products every week, much less every day!"

57

Inventory Is . . .



58

Inventory Is . . .



59

3 Key Food Cost Controls

1. Weekly food costing

2. Control inventory levels

3. Daily running inventory of key products

How many are you doing?

If you're not doing any, start here.

60

WORKSHOP: Food Cost Best Practices

Proven Ways to Cut Costs,
Reduce Waste & Boost Profit
Margins



2 Hour Workshop on February 25, 2025

For managers, chefs, KMs & key
kitchen personnel

Members - \$199
Non-Members - \$499



61

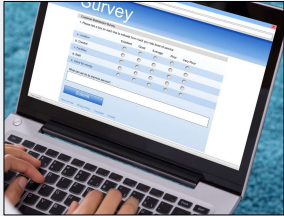


Questions? We're Ready to Answer!



62

Share Your Feedback Today!



Just 4 quick questions!



63

Food Cost Webinar

The 3 Most Impactful Food Cost Controls for Independent Restaurants

Thanks for attending!

R

Restaurant owner.com



64

© 2026 RestaurantOwner.com

22