

Menu and Recipe Costing Basics

How to Select the Right Menu Costing App



Welcome!
Today's event will be starting shortly.

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Your Hosts



Jim Laube



Joe Erickson



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Webinar Format



- Interactive format
- Access to participant comments & questions
- This webinar is being recorded
- Links to resources will be included on the recorded webinar page



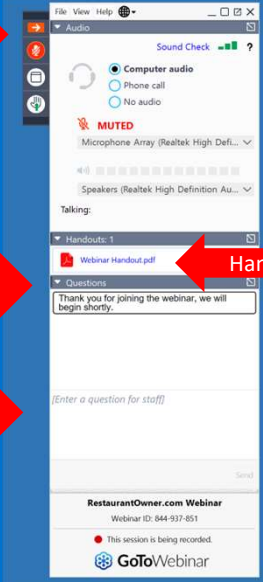
3

Questions & Comments


Show/Hide Control Panel

Questions Tab

Type your Questions / Comments



Handouts



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Why Menu Costing Matters

When Setting Menu Prices

- Value perception
- Your cost



Competitive Pricing

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Why Menu Costing Matters

MENU ENGINEERING WORKSHEET
Blue Fish Grill

Menu Item Name	Number Sold	Popularity %	Item Food Cost	Item Cost %	Item Sell Price	Item Profit	Profit Category	Popularity Category	Menu Item Class
PASTAS									
Shrimp Alfredo	280	12.4%	\$5.30	35.5%	\$14.95	\$9.65	High	High	Star
Lobster Ravioli	110	4.9%	\$7.00	36.9%	\$18.95	\$11.95	High	Low	Challenge
Vegetable Pasta	60	2.7%	\$3.00	27.4%	\$10.95	\$7.95	Low	Low	Dog
Spaghetti and Meatballs	480	21.3%	\$3.50	27.0%	\$12.95	\$9.45	High	High	Star
Ziti Al Forno	355	15.8%	\$2.25	22.6%	\$9.95	\$7.70	Low	High	Workhorse
Zucchini Fettuccini	110	4.9%	\$3.80	29.3%	\$12.95	\$9.15	High	Low	Challenge
Pasta Jambalaya	80	3.6%	\$4.90	33.8%	\$14.50	\$9.60	High	Low	Challenge
Clams Marinara	90	4.0%	\$5.60	43.2%	\$12.95	\$7.35	Low	Low	Dog
Linguini Pescatore	139	6.2%	\$5.00	31.3%	\$15.95	\$10.95	High	Low	Challenge
Penne Roma	146	6.5%	\$2.50	19.3%	\$12.95	\$10.45	High	Low	Challenge
Lasagna Al Forno	400	17.8%	\$3.00	27.4%	\$10.95	\$7.95	Low	High	Workhorse

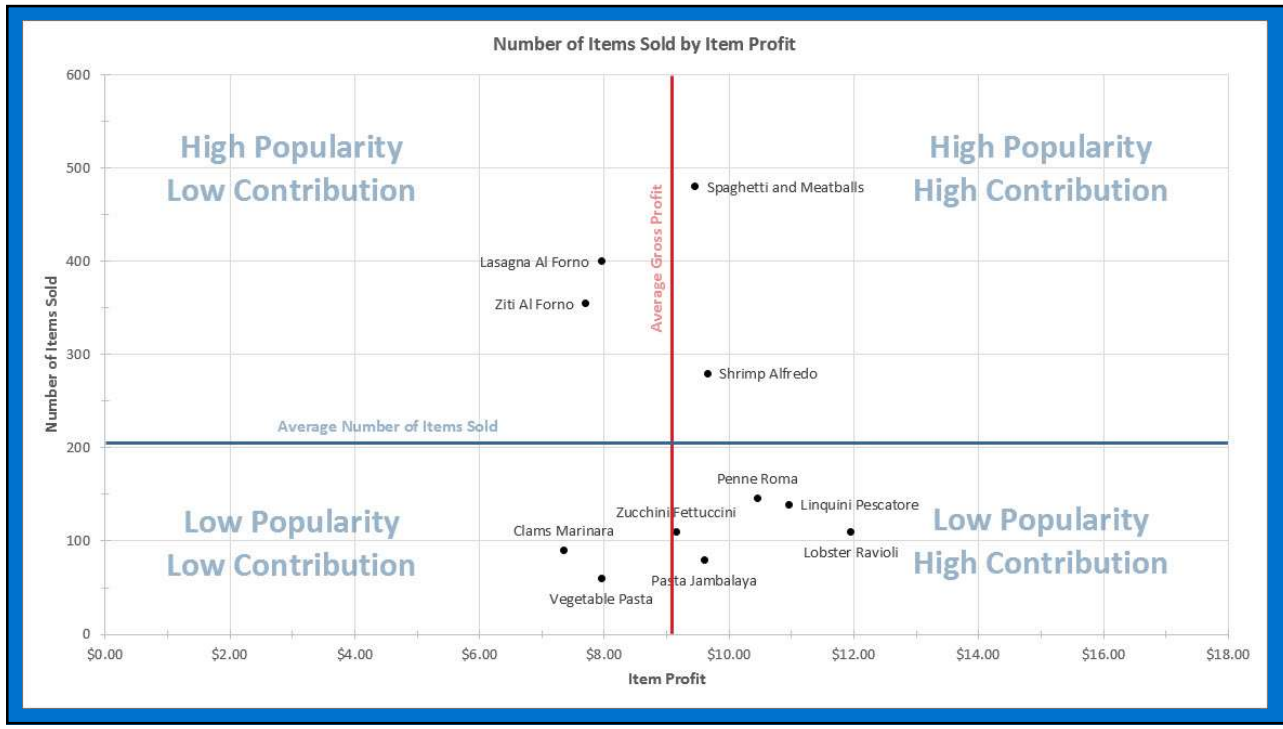
Total 2,250 100%

Average 15

Average Gross Profit \$9.08

Menu Engineering System

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Why Menu Costing Matters

Blue Fish Grill
Ideal Cost Worksheet
For the Period Ending 3/31

MENU ITEMS	Menu Item Cost	Menu Item Selling Price	Cost Pent.	POS # Sold	Total Cost	Potential Sales
12" Deluxe	\$ 2.94	\$ 11.95	24.6%	252	\$ 740.88	\$ 3,011.40
18" Deluxe	\$ 3.94	\$ 15.95	24.7%	108	\$ 425.52	\$ 1,722.60
12" Pepperoni	\$ 2.14	\$ 9.95	21.5%	175	\$ 374.50	\$ 1,741.25
18" Pepperoni	\$ 2.99	\$ 11.95	25.0%	186	\$ 556.14	\$ 2,222.70
12" Cheese	\$ 2.04	\$ 9.95	20.5%	90	\$ 183.60	\$ 895.50
18" Cheese	\$ 2.88	\$ 11.95	24.1%	54	\$ 155.52	\$ 845.30
Meatball Sub	\$ 2.74	\$ 9.95	27.5%	400	\$ 1,096.00	\$ 3,980.00
Breadsticks	\$ 0.32	\$ 1.29	24.8%	258	\$ 82.56	\$ 332.82
Med Wings	\$ 1.80	\$ 4.98	36.1%	498	\$ 896.40	\$ 2,485.02
Large Wings	\$ 2.40	\$ 6.99	34.3%	150	\$ 360.00	\$ 1,048.50
2 Ltr Soft Drinks	\$ 0.83	\$ 2.99	27.8%	432	\$ 358.56	\$ 1,291.68
			0.0%		\$ -	\$ -
					\$ 5,229.68	\$ 19,376.77

ACTUAL / IDEAL COMPARISON		\$ Amount	% of Sales
Food Sales for Period (before discounts)		\$ 18,176.77	100.0%
Ideal Cost	Realistic food cost target	\$ 5,229.68	28.8%
Actual Cost		\$ 5,229.68	32.3%
Variance \$ / %		\$ 0.00	-3.6%

Ideal Cost System


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Menu and Recipe Costing Basics

Solution Options

- Spreadsheets
- Desktop Software
- Software as a Service (SaaS)

Menu Item: Crab Cake Appetizer				
Item Description: 2 3-inch crab cakes with tartar sauce				
Recipe Unit	Quantity	Ingredient	Unit Cost	Extension
EA	2	Crab Cake Patties	2.02	4.05
OZ-fl	2	Tartar Sauce	0.07	0.13
EA	0.5	Lemons - fresh (medium)	0.48	0.24
OZ-fl	0.5	Butter	0.10	0.05
OZ-fl	0.167	Chopped Parsley	0.05	0.01
			0.00	0.00
			0.00	0.00
EA	1	Plate cost (Q-cost)	0.30	0.30
			Total Cost	4.78
			Menu Price	15.00
			Gross Profit	10.22
			Food Cost %	31.89%




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Question

What are you currently using to keep your menu cost up to date?


Please type your answers into the question box

- Spreadsheets
- Desktop software
- Software as a Service (SaaS)
- We don't have a system
- That's why we're attending this webinar




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Menu and Recipe Costing Basics

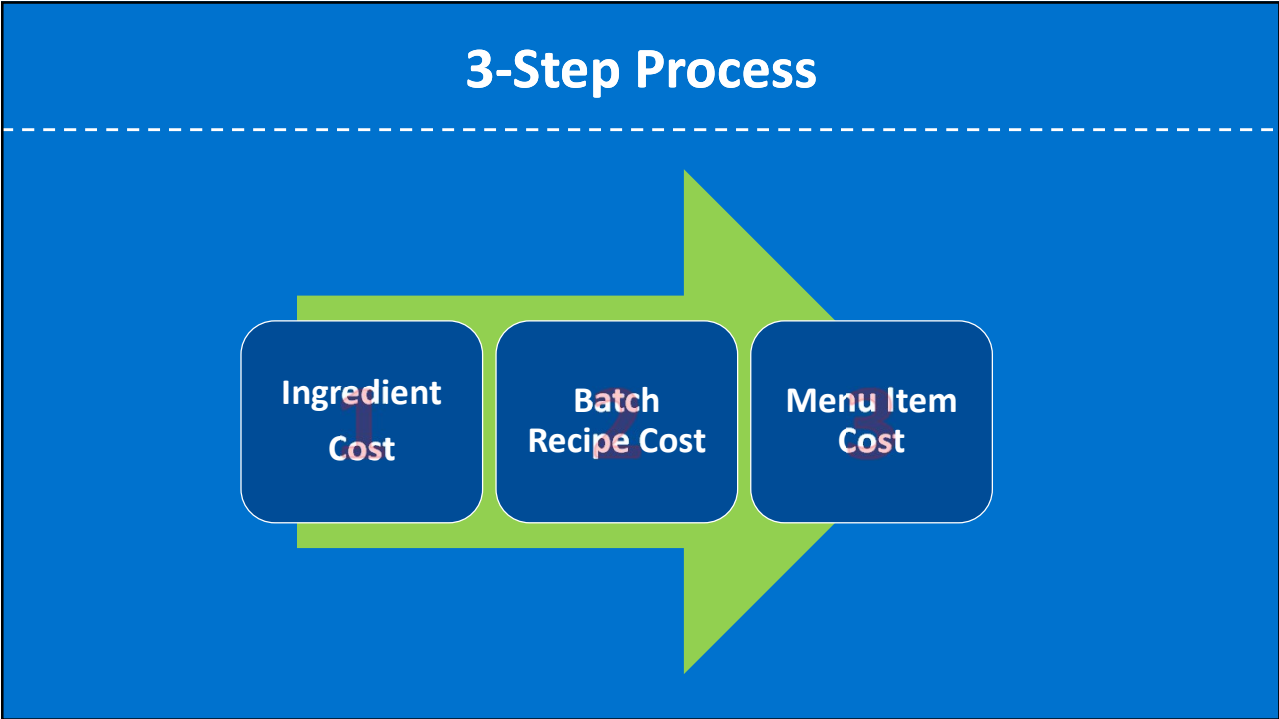


The certificate is from the Restaurant Owner Learning System. It is awarded to Joe Erickson for successfully completing the course of Menu Costing Basics on January 11, 2019. The instructor is Joe Erickson. The Restaurant Owner Learning System logo is at the bottom right.

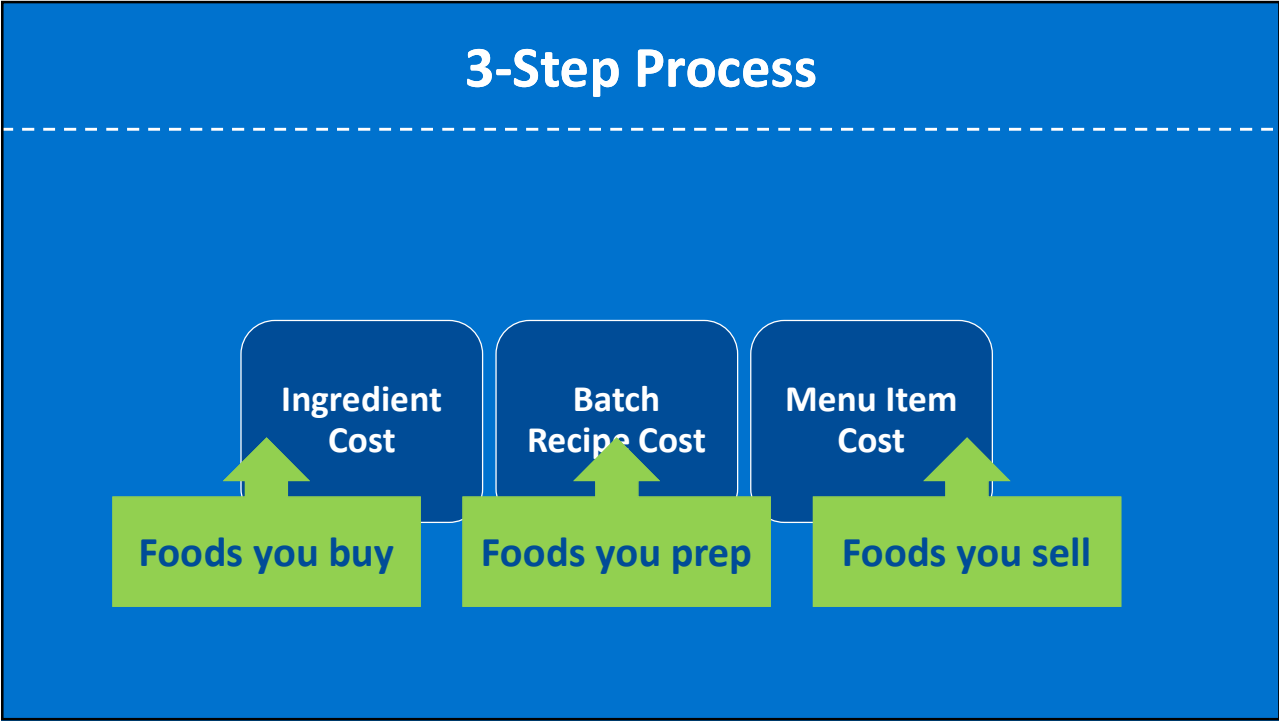
- 3-Step Process for Every System
- Maintaining Current Cost
- Recipe Cost Conversions
- Product Yields



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Step 1 - Inventory Ingredient Master

Item Code	Item Description	Case Pack/ Size	Purchase Unit (PU)		Recipe Cost Unit (RU)			Inventory Unit (IU)			Category	
			U/M	Current Price	U/M	# RU per PU	Yield %	Cost	U/M	# IU per PU		Cost per IU
001	SEAFOOD											
002	Shrimp 36-40 ct. P&D	4/2.5-lb. box	Case	43.00	OZ-wt	160	100%	0.269	Box	4.00	10.75	07Seafood
003	Jumbo lump crabmeat	1-lb. pack	LB	19.00	OZ-wt	16	100%	1.188	LB	1.00	19.00	07Seafood
004												
005	PRODUCE											
006	Parsley bunch - fresh	Bunch	Each	0.50	OZ-wt	3.4	100%	0.147	Each	1.00	0.50	06Produce
007	Mushrooms - fresh (med.)	1/10-lb. box	Case	18.85	OZ-wt	160	100%	0.118	Box	1.00	18.85	06Produce
008	Green onions	24-ct. bunches	Carton	11.90	OZ-wt	84	82%	0.173	Carton	1.00	11.90	06Produce
009	Shallots	3# bag	Bag	5.49	OZ-wt	48	90%	0.127	Bag	1.00	5.49	06Produce
010	Lemons - fresh (medium)	75-ct. box	Case	36.30	EA	75	100%	0.484	Case	1.00	36.30	06Produce
011												
012	GROCERY											
013	Salt - granulated	24/26-oz. rds.	Case	17.20	OZ-fl	499	100%	0.034	Each	24.00	0.72	03Grocery
014	Cayenne pepper	14-oz. btl.	Bottle	7.20	OZ-fl	37	100%	0.195	Bottle	1.00	7.20	03Grocery
015	White pepper	14-oz. btl.	Bottle	7.20	OZ-fl	37	100%	0.195	Bottle	1.00	7.20	03Grocery
016	Black pepper	14-oz. btl.	Bottle	7.20	OZ-fl	37	100%	0.195	Bottle	1.00	7.20	03Grocery
017	Basil leaves (dried)	5-oz. btl.	Bottle	7.20	OZ-fl	28	100%	0.257	Bottle	1.00	7.20	03Grocery
018	Thyme leaves (dried)	6-oz. btl.	Bottle	7.20	OZ-fl	30	100%	0.240	Bottle	1.00	7.20	03Grocery

Foods You Buy (order book)

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Step 2 - Batch Recipe Cost

Blue Fish Grill - Recipe Card			Recipe Cost			
Crab Cake Patties			RU	# of RU	RU Cost	Cost
INGREDIENTS	MEASURE	PROCEDURE				
Jumbo lump crabmeat	5 lbs.	1. Carefully pick over crab meat and remove all shell fragments.	OZ-wt	80	1.188	\$ 95.00
Bread crumbs	5 cups	2. Combine bread crumbs and milk into mixing bowl, set aside.	OZ-fl	40	0.048	\$ 1.91
Milk	1½ cups + 2 Tbsn.	3. In separate mixing bowl, blend mayonnaise, eggs, parsley, green onions, baking powder, salt and white pepper until smooth.	OZ-fl	13	0.024	\$ 0.31
Mayonnaise	1¼ cups	4. Add bread crumb and milk mixture, blend well.	OZ-fl	10	0.040	\$ 0.40
Eggs (large)	4 (slightly beaten)	5. Gently fold in cleaned crab and blend, being careful not to break up large pieces of crab.	EA	4	0.134	\$ 0.54
Chopped Parsley	1 cup (fine chopped)	6. Form crabmeat mixture into balls (about 3 oz. wt. each) and place in a holding pan resting on an ice bed. This is to maintain temperature during the breading process.	OZ-fl	8	0.047	\$ 0.38
Chopped Green Onions	¾ cup (fine chopped)	7. Bread each patty as follows: self-rising flour, egg wash, and then bread crumbs. Shake off excess bread crumbs. Form into 3-inch patties.	OZ-fl	6	0.043	\$ 0.26
Baking powder	2½ tsp.	8. Place crab cakes on paper-lined sheet tray; cover and keep refrigerated.	OZ-fl	0.4	0.109	\$ 0.04
Salt - granulated	1 Tbsn.		OZ-fl	0.5	0.034	\$ 0.02
White pepper	1½ tsp.		OZ-fl	0.25	0.206	\$ 0.05
Flour - self-rising	as needed		OZ-fl	20	0.012	\$ 0.25
Bread crumbs	as needed		OZ-fl	20	0.048	\$ 0.95
Egg Wash	as needed		OZ-fl	20	0.054	\$ 1.07
TOOLS/EQUIP.: Mixing bowl, she						
STATION: Prep cook						
YIELD: 50-3" patties						
SHELF LIFE: 2 days						
			Total		\$ 101.18	
				# of RU	50	
				RU Cost	\$ 2.02	

Foods You Prep

Restaurant owner.com

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Step 3 - Menu Item Cost

Menu Item: Crab Cake Appetizer				
Item Description: 2 3-inch crab cakes with tartar sauce				
Recipe Unit	Quantity	Ingredient	Unit Cost	Extension
EA	2	Crab Cake Patties	2.02	4.05
OZ-fl	2	Tartar Sauce	0.07	0.13
EA	0.5	Lemons - fresh (medium)	0.48	0.24
OZ-fl	0.5	Butter	0.10	0.05
OZ-fl	0.167	Chopped Parsley	0.05	0.01
			0.00	0.00
			0.00	0.00
EA	1	Plate cost (Q-cost)	0.30	0.30
			Total Cost	4.78
			Menu Price	15.00
			Gross Profit	10.22
			Food Cost %	31.89%

Foods You Sell (your menu items)

Restaurant owner.com

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Menu Item: Crab Cake Appetizer
Item Description: 2 3-inch crab cakes with tartar sauce

Recipe Unit	Quantity	Ingredient	Unit Cost	Extension
EA	2	Crab Cake Patties	2.02	4.05
OZ-fl	2	Tartar Sauce	0.07	0.13
EA	0.5	Lemons - fresh (medium)	0.48	0.24
OZ-fl	0.5	Butter	0.10	0.05
OZ-fl	0.167	Chopped Parsley	0.05	0.01
			0.00	0.00
			0.00	0.00
EA	1	Plate cost (Q-cost)	0.30	0.30
			Total Cost	4.78
			Menu Price	15.00
			Gross Profit	10.22
			Food Cost %	31.89%

Blue Fish Grill - Recipe Card - Crab Cake Patties

INGREDIENTS	MEASURE	PROCEDURE	RU	# of RU	RU Cost	Cost
Jumbo lump crabmeat	5 lbs.	1. Carefully pick over crab meat and remove all shell fragments.	OZ-wt	80	1.188	\$ 95.00
Bread crumbs	5 cups	2. Combine bread crumbs and milk into mixing bowl, add oil.	OZ-fl	40	0.048	\$ 1.91
Milk	1 1/2 cups + 2 Tbsn	3. In separate mixing bowl, blend mayonnaise, egg, parsley, green onions, baking powder, salt and white pepper until smooth.	OZ-fl	13	0.024	\$ 0.31
Mayonnaise	1 1/2 cups	4. Add bread crumb and milk mixture, blend well.	EA	4	0.134	\$ 0.54
Eggs (large)	4 (slightly beaten)	5. Gently fold in cleaned crab and blend, being careful not to break up large pieces of crab.	OZ-fl	8	0.047	\$ 0.38
Chopped Parsley	1 cup (fine chopped)	6. Form crabmeat mixture into balls (about 3 oz. wt each) and place in a holding pan resting on an ice bed. This is to maintain temperature during the breading process.	OZ-fl	6	0.043	\$ 0.26
Chopped Green Onions	1/2 cup (fine chopped)	7. Bread each patty as follows: self-rising flour, egg wash, and then bread crumbs. Shake off excess bread crumbs. Form into 3-inch patties.	OZ-fl	0.4	0.109	\$ 0.04
White pepper	2 1/2 tsp.	8. Place crab cakes on paper-lined sheet tray, cover and keep refrigerated.	OZ-fl	0.5	0.034	\$ 0.02
Salt - granulated	1 Tbsn		OZ-fl	0.25	0.206	\$ 0.05
Hot sauce	4 Tbsn		OZ-fl	20	0.012	\$ 0.25
Bread crumbs	as needed		OZ-fl	20	0.048	\$ 0.96
Egg Wash	as needed		OZ-fl	20	0.054	\$ 1.07
TOOL/EQUIP.: Mixing bowl, sheet pan, tray liners						
STATION: Prep cook						
YIELD: 50-3" patties						
SHELF LIFE: 2 days						
						Total \$ 101.13
						RU EA
						# of RU 50
						RU Cost \$ 2.02

Blue Fish Grill - Recipe Card - Tartar Sauce

INGREDIENTS	MEASURE	PROCEDURE	RU	# of RU	RU Cost	Cost
Mayonnaise	3 gallons	1. Combine all ingredients into mixing bowl for commercial mixer.	OZ-fl	384	0.040	\$ 15.30
Sour cream	1 1/2 gallons	2. Using wire whip attachment, mix until 1/2 gal well-blended. Refrigerate.	OZ-fl	192	0.106	\$ 20.44
Dijon mustard	1/2 cup		OZ-fl	4	0.057	\$ 0.23
Shallots	3 cups (fine chopped)		OZ-wt	16.6	0.127	\$ 2.11
Dill relish	1/2 cup		OZ-fl	6	0.032	\$ 0.19
Dill weed - dried	1 cup		OZ-fl	8	0.283	\$ 2.27
Chopped Parsley	3 cups (fine chopped)		OZ-fl	24	0.047	\$ 1.13
Tarragon leaves (dried)	4 Tbsn.		OZ-fl	2	0.218	\$ 0.44
Hot sauce	4 Tbsn.		OZ-fl	2	0.240	\$ 0.48
Salt - granulated	8 Tbsn.		OZ-fl	4	0.034	\$ 0.14
Black pepper	4 Tbsn.		OZ-fl	2	0.189	\$ 0.38
TOOL/EQUIP.: Commercial mixer, mixing bowl, wire whip attachment.						
STATION: Pantry						
YIELD: 6 gallons						
SHELF LIFE: 6 days						
						Total \$ 43.03
						RU OZ-fl
						# of RU 640
						RU Cost \$ 0.07

Menu item gets cost values from batch recipes and...

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Menu Item: Crab Cake Appetizer
Item Description: 2 3-inch crab cakes with tartar sauce

Recipe Unit	Quantity	Ingredient	Unit Cost	Extension
EA	2	Crab Cake Patties	2.02	4.05
OZ-fl	2	Tartar Sauce	0.07	0.13
EA	0.5	Lemons - fresh (medium)	0.48	0.24
OZ-fl	0.5	Butter	0.10	0.05
OZ-fl	0.167	Chopped Parsley	0.05	0.01
			0.00	0.00
			0.00	0.00
EA	1	Plate cost (Q-cost)	0.30	0.30
			Total Cost	4.78
			Menu Price	15.00
			Gross Profit	10.22
			Food Cost %	31.89%

Item Code	Item Description	Case Pack/ Size	Purchase Unit (PU)			Recipe Cost Unit (RU)			Inventory Unit (IU)			Category
			U/M	Current Price	U/M	# RU per PU	Yield %	Cost	U/M	# IU per IU	Cost per IU	
001	SEAFOOD											
002	Shrimp 36-40 ct. P&D	4/2.5-lb. box	Case	43.00	OZ-wt	160	100%	0.269	Box	4.00	10.75	07Seafood
003	Jumbo lump crabmeat	1-lb. pack	LB	19.00	OZ-wt	16	100%	1.188	LB	1.00	19.00	07Seafood
004												
005	PRODUCE											
006	Parsley bunch - fresh	Bunch	Each	0.50	OZ-wt	3.4	100%	0.147	Each	1.00	0.50	06Produce
007	Mushrooms - fresh (med.)	1/10-lb. box	Case	18.85	OZ-wt	160	100%	0.118	Box	1.00	18.85	06Produce
008	Green onions	24-ct. bunches	Carton	11.90	OZ-wt	84	82%	0.173	Carton	1.00	11.90	06Produce
009	Shallots	1/2 bag	Bag	5.49	OZ-wt	48	90%	0.122	Bag	1.00	5.49	06Produce
010	Lemons - fresh (medium)	75-ct. box	Case	36.30	EA	75	100%	0.481	Case	1.00	36.30	06Produce
011												
012	GROCERY											
013	Salt - granulated	24/26-oz. rds.	Case	17.20	OZ-fl	499	100%	0.034	Each	24.00	0.72	03Grocery
014	Cayenne pepper	14-oz. btl.	Bottle	7.20	OZ-fl	37	100%	0.195	Bottle	1.00	7.20	03Grocery
015	White pepper	20-oz. btl.	Bottle	7.20	OZ-fl	35	100%	0.206	Bottle	1.00	7.20	03Grocery
016	Black pepper	18-oz. btl.	Bottle	7.20	OZ-fl	38	100%	0.189	Bottle	1.00	7.20	03Grocery
017	Basil leaves (dried)	5-oz. btl.	Bottle	7.20	OZ-fl	28	100%	0.257	Bottle	1.00	7.20	03Grocery
018	Thyme leaves (dried)	6-oz. btl.	Bottle	7.20	OZ-fl	30	100%	0.240	Bottle	1.00	7.20	03Grocery
019	Oregano leaves (dried)	5-oz. btl.	Bottle	6.57	OZ-fl	25	100%	0.263	Bottle	1.00	6.57	03Grocery
020	Baking powder	6/5-lb. tin	Case	60.40	OZ-fl	556	100%	0.109	Each	6.00	10.07	03Grocery
021	Flour - self-rising	2/25-lb. sack	Bag	18.45	OZ-fl	1488	100%	0.012	Bag	2.00	9.23	03Grocery
022	Dill weed - dried	5-oz. btl.	Bottle	6.80	OZ-fl	24	100%	0.283	Bottle	1.00	6.80	03Grocery
023	Tarragon leaves (dried)	5-oz. btl.	Bottle	7.20	OZ-fl	33	100%	0.218	Bottle	1.00	7.20	03Grocery
024	Bread crumbs	12/24-oz.	Case	31.40	OZ-fl	658	100%	0.048	Each	12.00	2.62	03Grocery
025	Lobster base (no MSG)	6/1-lb. jar	Case	35.75	OZ-fl	77	100%	0.464	Jar	6.00	5.96	03Grocery
026	Chopped garlic (in oil)	12/32-oz. jar	Case	35.01	OZ-fl	384	100%	0.091	Jar	12.00	2.92	03Grocery
027	Mayonnaise	4/1-gal.	Case	20.40	OZ-fl	512	100%	0.040	Gallon	4.00	5.10	03Grocery
028	Cappellini (Angel hair pasta)	20-lb. box	Box	16.35	OZ-wt	320	100%	0.051	Box	1.00	16.35	03Grocery
029	Dijon mustard	2/1-gal.	Case	14.60	OZ-fl	256	100%	0.057	Gallon	2.00	7.30	03Grocery
030	Dill relish	4/1-gal.	Case	16.20	OZ-fl	512	100%	0.032	Gallon	4.00	4.05	03Grocery
031	Hot sauce	12/12-oz. btl.	Case	34.60	OZ-fl	144	100%	0.240	Bottle	12.00	2.88	03Grocery
032												
033	DAIRY											
034	Milk	6/5-gal.	Case	9.20	OZ-fl	384	100%	0.024	Each	6.00	1.53	03Dairy
035	Butter	2/5-lb. carton	Case	1.70	OZ-fl	16	100%	0.106	Carton	1.00	4.79	03Dairy
036	Butter	30/1-lb.	Case	49.40	OZ-fl	480	100%	0.103	Each	30.00	1.65	03Dairy
037	Parmesan - fresh (grated)	2/5-lb.	Case	39.65	OZ-fl	426	100%	0.093	Each	2.00	19.83	03Dairy
038	Eggs (large)	1/15-dz. case	Case	24.15	EA	180	100%	0.134	Case	1.00	24.15	03Dairy

Menu item gets cost values from batch recipes and... the inventory ingredient list

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Blue Fish Grill - Recipe Card

INGREDIENTS	MEASURE	PROCEDURE	RU	# of RU	RU Cost	Cost
Jumbo lump crabmeat	5 lbs	1. Carefully pick over crab meat and remove all shell fragments.	OZ-wt	80	1.188	\$ 95.00
Bread crumbs	2 cups	2. In a shallow white ceramic or tin tin mixing bowl, fill with...	OZ-#	40	0.080	\$ 3.20
Milk	1 1/2 cups + 2 Tbsp	3. In separate mixing bowl, blend mayonnaise, egg, parsley, green onions, baking powder, salt and white pepper with milk.	OZ-#	13	0.024	\$ 0.31
Mayonnaise	1 1/2 cups		OZ-#	10	0.040	\$ 0.40
Eggs (large)	1 (lightly beaten)		EA	1	0.134	\$ 0.54
Chopped Parsley	1 cup (fine chopped)	6. Gently fold in cleaned crab and bread, being...	OZ-#	8	0.047	\$ 0.38
Chopped Green Onions	1/2 cup (fine chopped)		OZ-#	6	0.043	\$ 0.26
Baking powder	2 1/2 tsp.	6. Form crabmeat mixture into balls (about 3 oz. wt each) and place in a heating pan resting on an ice bed. Bake in 350 degree oven during the breading process.	OZ-#	0.4	0.109	\$ 0.04
Salt - granulated	1 Tbsp.		OZ-#	0.5	0.034	\$ 0.02
White pepper	1 1/2 tsp.	7. Bread each patty as follows: self-rising flour, egg wash and then bread crumbs. Shake off excess bread crumbs. Form into 3-inch patties.	OZ-#	0.25	0.206	\$ 0.05
Flour - self-rising	as needed		OZ-#	20	0.012	\$ 0.25
Bread crumbs	as needed	8. Place crab cakes on paper-lined sheet tray, cover and keep refrigerated.	OZ-#	20	0.048	\$ 0.96
Egg Wash	as needed		OZ-#	20	0.054	\$ 1.07
TOOLSEQUIP: Mixing bowl, sheet pan, tray liners						Total \$ 101.18
STATION: Prep cook						RU EA
YIELD: 50-37 patties						# of RU 54
SHELF LIFE: 2 days						RU Cost \$ 2.07

The screenshot shows the 'SEAFOOD' section of the software. The 'Jumbo lump crabmeat' entry is highlighted with a red box. A red arrow points from this entry to the 'Chopped Parsley' recipe card on the left.

Blue Fish Grill - Recipe Card

INGREDIENTS	MEASURE	PROCEDURE	RU	# of RU	RU Cost	Cost
Parsley bunch - fresh	6 bunches	1. Clean and remove excess stems... 2. Chop cleaned parsley. 3. Store in 4-qt lexan	OZ-wt	20.4	0.147	\$ 3.00
TOOLSEQUIP: Cutting board, chef's knife						Total \$ 3.00
STATION: Partry						RU OZ-#
YIELD: About 8 cups						# of RU 54
SHELF LIFE: 4 days						RU Cost \$ 0.05

Batch recipes get cost values from the inventory ingredient list and other batch recipes

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Maintaining Current Costs

- Purchase cost needs to be updated daily or weekly
- RMS apps automatically update prices with each posted invoice
- For spreadsheets, price changes need to be entered manually

The screenshot shows a list of ingredients under the 'SEAFOOD' and 'PRODUCE' categories. The 'Jumbo lump crabmeat' entry is highlighted with a red box, and a red arrow points to it from the text above.

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Batch Recipes | Menu Items | Edit Drop-Down Lists

Item Code	Item Description	Case Pack/Size	Purchase Unit (PU)		Recipe Cost Unit (RU)			Inventory Unit (IU)				
			U/M	Current Price	# RU	U/M	Yield %	Cost	U/M	# IU	Cost per IU	Category
001	SEAFOOD											
002	Shrimp 36-40 ct. P&D	4/2 5-lb. box	Case	43.00	OZ-wt	160	100%	0.269	Box	4.00	10.75	ST/Seafood
003	Jumbo lump crabmeat	1-lb. pack	Case	19.00	EA	1	100%	1.188	EA	1.00	19.00	ST/Seafood
005	PRODUCE											
006	Parsley bunch - fresh	Bunch	Each	0.50	OZ-wt	3.4	100%	0.147	Each	1.00	0.50	GP/Produce
007	Mushrooms - fresh (med.)	1/10-lb. box	Case	18.85	OZ-wt	160	100%	0.116	Box	1.00	18.85	GP/Produce
008	Green onions	24-ct. bunches	Carton	11.90	OZ-wt	84	92%	0.173	Carton	1.00	11.90	GP/Produce
009	Shallots	3# bag	Bag	5.49	OZ-wt	4	90%	0.127	Bag	1.00	5.49	GP/Produce
010	Lemons - fresh (medium)	75-ct. box	Case	36.30	EA	25	100%	0.484	Case	1.00	36.30	GP/Produce
012	GROCERY											
013	Salt - granulated	24/26-oz. rds.	Case	17.20	OZ-fl	499	100%	0.034	Each	24.00	0.72	GP/Grocery
014	Cayenne pepper	14-oz. btl.	Bottle	7.20	OZ-fl	37	100%	0.195	Bottle	1.00	7.20	GP/Grocery
015	White pepper	20-oz. btl.	Bottle	7.20	OZ-fl	35	100%	0.206	Bottle	1.00	7.20	GP/Grocery
016	Black pepper	18-oz. btl.	Bottle	7.20	OZ-fl	38	100%	0.189	Bottle	1.00	7.20	GP/Grocery

Blue Fish Grill - Recipe Card

Crab Cake Patties

INGREDIENTS	MEASURE	PROCEDURE	RU	# of RU	RU Cost
Jumbo lump crabmeat	5 lbs.	1. Carefully pick over crab meat and remove all shell fragments.	OZ-wt	8	1.188 \$ 95.00
Bread crumbs	5 cups	2. Combine bread crumbs and milk into mixing bowl for aside.	OZ-fl	40	0.048 \$ 1.91
Milk	1 1/2 cups + 2 Tbsp.	3. In separate mixing bowl, blend mayonnaise, eggs, parsley, green onions, baking powder, salt and white pepper, well smooth.	OZ-fl	13	0.024 \$ 1.31
Mayonnaise	1 1/2 cups		OZ-fl	10	0.040 \$ 1.40
Eggs (large)	4 (slightly beaten)	4. Add bread crumb and milk mixture, blend well.	EA	4	0.134 \$ 1.54
Chopped Parsley	1 cup (fine chopped)	5. Gently fold in cleaned crab and blend, being careful not to break up large pieces of crab.	OZ-fl	8	0.047 \$ 1.38
Chopped Green Onions	1/2 cup (fine chopped)	6. Form crabmeat mixture into balls (about 3 oz. wt each) and place in a holding pan resting on an ice bed. This is to maintain temperature during the breading process.	OZ-fl	6	0.043 \$ 1.26
Baking powder	2 1/2 tsp.		OZ-fl	0.4	0.109 \$ 1.04
Salt - granulated	1 Tbsp.		OZ-fl	0.5	0.034 \$ 1.02
White pepper	1 1/2 tsp.	7. Bread each patty as follows: self-rising flour, egg wash, and then bread crumbs. Shake off excess bread crumbs. Form into 3-inch patties.	OZ-fl	0.25	0.206 \$ 1.05
Flour - self-rising	as needed		OZ-fl	20	0.012 \$ 1.25
Bread crumbs	as needed	8. Place crab cakes on paper-lined sheet tray, cover and keep refrigerated.	OZ-fl	20	0.048 \$ 1.95
Egg Wash	as needed		OZ-fl	20	0.054 \$ 1.07

Menu Item: Crab Cake Appetizer
Item Description: 2 3-inch crab cakes with tartar sauce

Recipe Unit	Quantity	Ingredient	Unit Cost	Extension
EA	2	Crab Cake Patties	2.02	4.05
OZ-fl	2	Tartar Sauce	0.07	0.14
EA	0.5	Lemons - fresh (medium)	0.48	0.24
OZ-fl	0.5	Butter	0.10	0.05
OZ-fl	0.167	Chopped Parsley	0.05	0.01
EA	1	Plate cost (Q-cost)	0.30	0.30
Total Cost			4.78	
Menu Price			15.00	
Gross Profit			10.22	
Food Cost %			31.89%	

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Recipe Cost Conversions

90% of incorrect menu costing is due to improper calculation of ingredient cost.

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Weight vs. Volume Measure



Canned Foods (in Number-10 Cans) 49

Canned Foods Weight-to-Volume

Product	Total Ounces per #10 Can	Net or Drained Weight in Ounces	Drained Weight Yield Percentage	Ounces per Single Cup	Ounces per Quart	Ounces per Half Gallon
Applesauce	111	110	99.10%	8.6	34.4	68.8
Apples, sliced, dry pack in juice	97	95.8	98.76%	5.65	24.6	53.25
Baked Beans, with brown sugar and bacon	112.7	112.7	100%*	9.15	37.75	76.4
Beets, sliced (3/8 in.), in water	107.6	72.4	67.29%	5.3	21.8	48.25
Beets, sliced, in water	107.3	76.95	71.71%	5.85	22.55	50.95
Carrots, sliced (3/8 in.), in water	108.25	69.1	63.83%	5.05	22.2	51.2
Cheese Sauce for Nachos	104	104	100%*	8.89	35.9	72
Cherries, Dark Sweet, pitted, heavy syrup	112.9	67.9	60.14%	5.9	25.9	54.05
Chili con Carne, with beans	106.75	106.75	100%*	8.9	36	72
Corn, whole yellow kernels, in water	108.6	73	67.22%	5.55	23.7	48.4
Garbanzo Beans, whole, in water	111.3	68.5	61.55%	5.65	23.05	48.4
Green Beans, Blue Lake, cut 1.5 in. in water (grade A)	107.6	62.5	58.09%	3.75	16.75	33.75
Green Beans, Blue Lake, cut 1.5 in. in water (grade B)	105.45	62.1	58.89%	3.9	18	37.15
Hammy, white	112.95	79.3	70.21%	5.8	24.1	50
Ketchup	111.95	111.95	100%*	9.6	39.2	76.9
Kidney Beans, dark red, in water	110.7	66.8	60.34%	5.45	23.15	47
Moriso	109.85	109.85	100.00%	9.154	36.6	73.23
Mushrooms, sliced, in water	102.95	65.3	63.43%	5.2	23.15	47.8

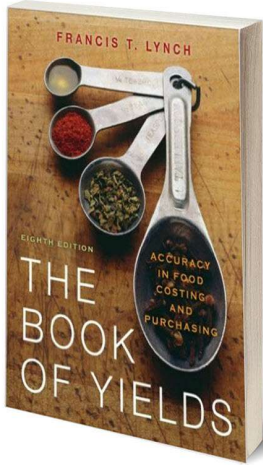



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Weight vs. Volume Measure

Weight vs. Measure Conversion Examples


- 1 cup (8 fl. oz.) of dried oregano leaves weighs only 1.6 oz.
- 1 cup (8 fl. oz.) of crumbled bleu cheese weighs 4.75 oz.
- 1 cup (8 fl. oz.) of barbeque sauce weighs about 10 oz.






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Weight vs. Volume Measure




\$6.57

=




**Weights 5 oz. wt.
(\$1.31 per oz. wt.)**

=



**Volume measure 25 fl. oz. (3 cups)
(\$.26 per fl. oz.)**

1 cup of oregano leaf weighs 1.6 oz. wt.



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Weight vs. Volume Measure

Weight to Volume Conversion Examples


Item Description	Case Pack/ Size	Purchase Unit (PU)		Multiplication	TTL Oz. Wt. per Case Pack	# of Oz. Wt. per 1 cup volume *	# of Cups per Case Pack	X 8 oz. per cup	Recipe Cost Unit (RU)			
		U/M	Current Price						U/M	# RU per PU	Yield %	Cost
GROCERY												
Salt - granulated	24/26-oz. rds.	Case	17.20	24 x 26	624	10	62.4	499.2	OZ-fl	499	100%	0.034
Cayenne pepper	14-oz. btl.	Bottle	7.20	1 x 14	14	3	4.7	37.3	OZ-fl	37	100%	0.195
White pepper	20-oz. btl.	Bottle	7.20	1 x 20	20	4.51	4.4	35.5	OZ-fl	35	100%	0.206
Black pepper	18-oz. btl.	Bottle	7.20	1 x 18	18	3.81	4.7	37.8	OZ-fl	38	100%	0.189
Basil leaves (dried)	5-oz. btl.	Bottle	7.20	1 x 5	5	1.4	3.6	28.6	OZ-fl	28	100%	0.257
Thyme leaves (dried)	6-oz. btl.	Bottle	7.20	1 x 6	6	1.6	3.8	30.0	OZ-fl	30	100%	0.240
Oregano leaves (dried)	5-oz. btl.	Bottle	6.57	1 x 5	5	1.6	3.1	25.0	OZ-fl	25	100%	0.263
Baking powder	6/5-lb. tin	Case	60.40	6 x 5 x 16	480	6.9	69.6	556.5	OZ-fl	556	100%	0.109
Flour - self-rising	2/25-lb. sack	Bag	18.45	2 x 25 x 16	800	4.3	186.0	1488.4	OZ-fl	1488	100%	0.012
Dill weed - dried	5-oz. btl.	Bottle	6.80	1 x 5	5	1.68	3.0	23.8	OZ-fl	24	100%	0.283
Tarragon leaves (dried)	5-oz. btl.	Bottle	7.20	1 x 5	5	1.23	4.1	32.5	OZ-fl	33	100%	0.218
Bread crumbs	12/24-oz.	Case	31.40	12 x 24	288	3.5	82.3	658.3	OZ-fl	658	100%	0.048
Lobster base (no MSG)	6/1-lb. jar	Case	35.75	6 x 16	96	10	9.6	76.8	OZ-fl	77	100%	0.464
DAIRY												
Sour cream	3# tub	Carton	4.79	3 x 16	48	8.54	5.6	45.0	OZ-fl	45	100%	0.106
Butter	30/1-lb.	Case	49.40	30 x 16	480	8	60.0	480.0	OZ-fl	480	100%	0.103
Parmesan - fresh (grated)	2/5-lb.	Case	39.65	2 x 5 x 16	160	3	53.3	426.7	OZ-fl	426	100%	0.093

* Per cup values for each ingredient come from the Book of Yields or our test kitchen results

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Product Yields


50-lb. sack of onions yields about 45 lbs. (90%) when peeled



The image shows a red mesh sack of onions on the left and a pile of peeled, light-colored onions on the right, illustrating the yield from a 50-lb sack.

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Product Yields




The image displays four vegetable products with their yield percentages:


- Parsley: 53%
- Carrots: 83%
- Onions: 83%
- Green onions: 82%

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Product Yields



**10-lb. whole
beef strip loin**



**7 lbs. of
portioned
steaks**

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Batch Recipe Yields



**Brisket loses
about 50% to
shrinkage and
trim**





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RestaurantOwner Learning System

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Selecting the Right Menu Costing App

Sources:

- Spreadsheet template (RO)
- Foodservice distributors
- Restaurant management systems
- POS vendors

Download the Menu & Recipe Costing - 500 items Preview

Item	Price	Cost	Margin
1	1.00	0.50	50%
2	2.00	1.00	50%
3	3.00	1.50	50%
4	4.00	2.00	50%
5	5.00	2.50	50%
6	6.00	3.00	50%
7	7.00	3.50	50%
8	8.00	4.00	50%
9	9.00	4.50	50%
10	10.00	5.00	50%

This form is available in the following formats. You must have a compatible program installed on your computer to use them.

[Click to Download Microsoft Excel format](#)

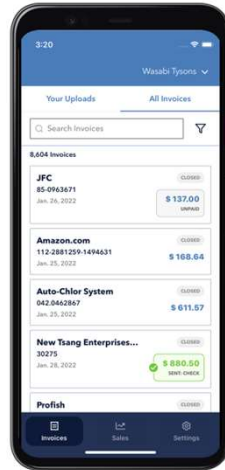
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Selecting the Right Menu Costing App

Considerations:

- Investment/Recurring costs
 - Personnel
 - Time commitment
 - Setup and implementation
 - Daily activities
- Integrations
 - Accounting
 - POS
 - Menu Engineering
 - Theoretical (Ideal) cost
 - Inventory Control/Counts



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Foodservice Distributor

- Most offer menu & recipe costing as a free service
- Several have menu engineering & design services
- Order book automatically updates prices
- Most allow you to manually add products from other vendors

US.
FOODS

PFG Performance
Food Group



Gordon
FOOD SERVICE

PERFORMANCE
FOODSERVICE

SYSCO


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Foodservice Distributor

Sysco Studio DASHBOARD DESIGNS MENU ENGINEERING RECIPES INGREDIENTS Price effective date: Mar 6, 2023 Help gary.worden
Peppercorn Restaurant

My Recipes » 8 oz. Peppercorn Encrusted Filet in Brandy Cream Sauce



Last modified by ERICK M LOPEZ on Mar 6 2023 in Entrees

8 oz. Peppercorn Encrusted Filet in Bran...

Add a suggested menu description

SUGGESTED PRICE PER SERVING

\$49.00

INGREDIENT COST

\$11.51 per serving

\$11.51 per recipe

% COST PER SERVING

23.49%

PROFIT PER SERVING

\$37.49

PREP TIME

— min

COOK TIME

— min

SERVINGS

1 per recipe

USED ON

1 menu

ADD INGREDIENTS

ACTIONS

Ingredients Directions

INGREDIENT	SUPC	BRAND	AMOUNT USED Convert Units	COST PER UNIT	APPROX. COST	
Au Gratin Potatoes			1 ct	\$1.350 per ct	\$1.350	
Spice Pepper Black 1/2 Cracked	3966009	DALLAS	0.5 oz	\$1.978 per oz	\$0.989	
Peppercorn Filet Brandy Cream Sauce			2 oz	\$0.340 per oz	\$0.680	
Sautéed Mushrooms			1 ct	\$1.000 per ct	\$1.000	
Tenderloin National		National	8 oz	\$14.990 per lb	\$7.495	

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Foodservice Distributor

Bringing More Than Food to Your Table!



HOST

SERVICES ♦ SOLUTIONS ♦ SUCCESS



DELIVERING QUALITY SINCE 1900

BENE KEITH CO.

FOODSERVICE DISTRIBUTORS

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Restaurant Management Software

- POS integration
- Accounting integration
- Multiple foodservice distributor order books
- Expanded inventory control
- Menu engineering
- Theoretical (ideal) cost

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[me] marginedge

HOW WE DO IT

Next, you send us your invoices.

To finish set-up, you upload invoices via our app, email or through EDI integrations – even if they're hand-scribbled or spilled on, we'll take them however you have them – and **capture all line-item detail in 24-48 hours.**

→ *You get total visibility into your restaurant(s) sales and purchase data with no manual data entry.*


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Use this worksheet to compare the cost, time commitment, and features between solution options.

Menu & Recipe Cost App Comparison Worksheet					
	RO Menu Cost Template	Food Service Distributor Solution	RMS solution 1	RMS solution 2	RMS solution 3
Initial Cost	50				
Monthly fee (including support)	50				
Setup (hours)	40-80 hours				
Customer Support	Support forum				
Weekly time commitment	30-60 minutes				
Links to POS	User - manual import linking				
Links to menu engineering	User - Excel linking				
Links to ideal cost	User - Excel linking				
Links to inventory	User - Excel linking				
Links to FS distributor order book	No				
Links to accounting	No				
Notes:					

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Q&A



Questions

Additional questions to
info@restaurantowner.com

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Not a Member Yet?

It's never been more convenient and affordable to build the confidence and skills of your entire team.

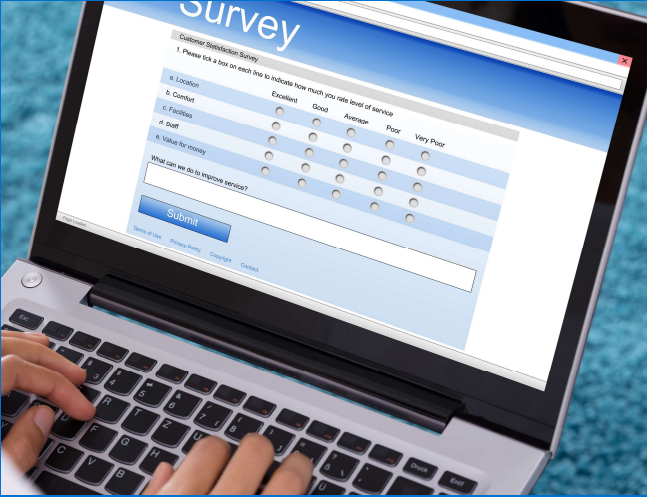
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<p>Single-Unit or save 15% and pay \$299 for a one year subscription</p> <p>Includes access for: 3 Managers 30 staff</p> <p>Sign Up Now</p>	<p>Multi-Unit or save 15% and pay \$499 for a one year subscription</p> <p>Includes access for: 10 Managers 100 staff</p> <p><small>Options available for larger staffs</small></p> <p>Sign Up Now</p>	<p>Custom Training System or save 15% and pay \$799 for a one year subscription</p> <p>Includes access for: 10 Managers 100 staff</p> <p><small>Create custom training programs using a blend of your own content and ours. Options available for larger staffs</small></p> <p>Sign Up Now</p>

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Please Give Us Your Feedback



Just 4 very short questions!

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Menu and Recipe Costing Basics

**How to Select the
Right Menu Costing
App**



Thank you for attending!

info@RestaurantOwner.com