



# Know Your Numbers...

## Managing Food Cost

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Health-e Pro





# Learning Objectives

- Identifying variable and fixed costs
- Determine factors that affect the cost of food
- Understand the importance of the menu
- Explain how ordering influences food cost
- Demonstrate how to get true costing
- Identify Key Performance Indicators for financial management



# Start at the Beginning Measure your Key Performance Indicators

- Revenue
  - ADP-Average Daily Participation
  - Meals per Labor Hour
- Expenses
  - Food Cost
  - Labor Cost
  - Menu Performance
  - Actual Cost



# Income

- Meals (breakfast, lunch, snack)
- Ala Carte
- Adults
- Additional Sources

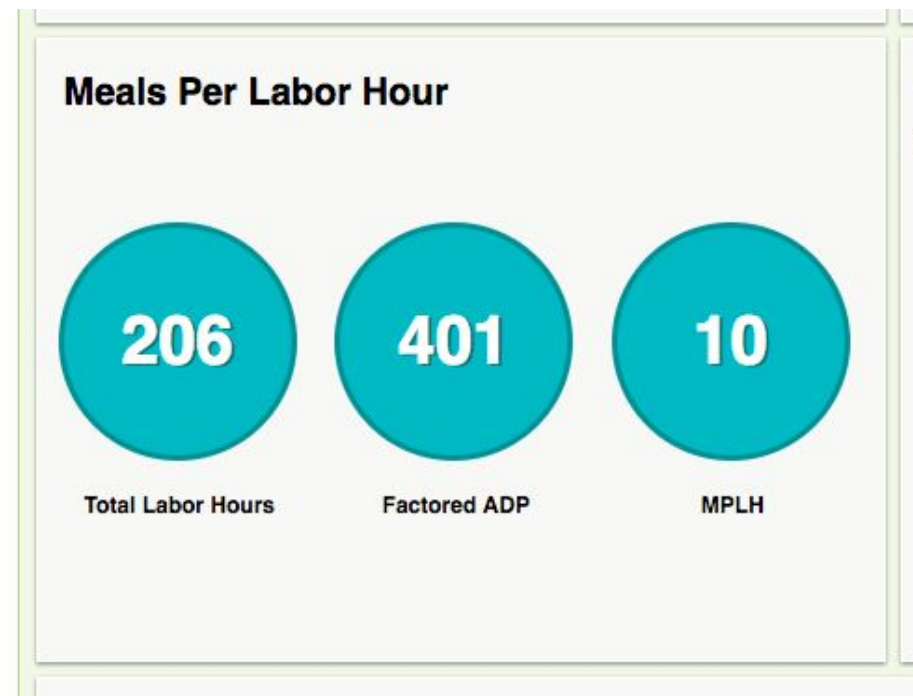


*Meal Equivalents put it all into one common measurement.*

*ADP - Average Daily Participation provides a standard*

# Meals Per Labor Hour

- Uses Meal Equivalents (breakfast, ala carte, snack = lunch) to create the factored ADP
- Labor: Variable or Fixed





## Narrow Margins

How do I know what numbers to check and what can be changed?

# Food Costs

Calculate Actual Food Cost	
<b>Enter: (do not enter values on highlighted cells)</b>	
Beginning inventory	10,000.00
Purchases	3,000.00
Ending inventory	10,500.00
<i>Cost of food sold</i>	2,500.00
<b>Output: (do not edit fields below)</b>	
Food sales	6,500.00
Actual food cost	38.46%

Calculator from Wikihow





# Knowing the current overall the meal is a key indicator





# Fixed or Variable Costs

- Fixed Costs
  - Cannot change
  - Does not adjust with income
  - May be labor, indirect cost, equipment
- Variable Cost
  - Can make changes
  - Can impact the program
  - #1 variable is food

# How can you adjust food cost?



Who you buy it from



What you buy



When you buy it

*options*

Where you use the product



How much you buy



Waste

# Whoooo can you get the food from?

- Distributor
- Manufacturer/Grower Direct
- Scratch Cooking
- Commodity Processing
- Bids
  - District
  - Co-op
  - State





# What do you buy?

- CN products
  - Designed for schools and age requirements
  - Familiar with cost structure
- Local products
  - Access
  - Quality, Cost, Familiarity
  - Familiarity/Regional Preference
- Brand products
  - Recognition
  - Consistency
-

# When do you buy it?

- Seasonal Products
- Drop Shipment Minimums
- Distributor Sales
  - Manufacturer seasonal production
- Annual Orders
  - Commodities
- Storage Capability
  - Frozen or Refrigerated
  - Delivery Days and Times

Harvest  
of the  
Month™





# How much can I buy?

- Regular Stock
- Drop Shipments
- Special, Limited Quantity
- Space Confinements
- How often is it on the menu?
- How much do the students take?

**Time for Harvest!**

Change School and Menu | Select Language | Powered by Google Translate

October 2016 | Elementary Lunch | today | -- Select Month --

Mon	Tue	Wed	Thu	Fri
<b>Build-A-Meal</b> <b>Lunch Entree</b> Macaroni & Cheese Pepperoni Pizza Wedge <b>Vegetables</b> Whole Kernel Corn Baby Carrots Broccoli Florets Side Salad <b>Fruit</b> Fresh Apple Slices Raisins <b>Milk</b> 1% Milk Chocolate Milk <b>Misc.</b> Ranch Dressing Ketchup Packet	<b>Build-A-Meal</b> <b>Breakfast Entree</b> Sausage, Egg & Cheese Breakfast Burrito Sausage, Egg & Cheese Flabread <b>Vegetables</b> Side Salad Sweet Potato Fries Pea Pods <b>Fruit</b> Fresh Kiwi Fresh Oranges Frozen Peach Cup <b>Grains</b> Wild Blueberry Muffin <b>Milk</b> 1% Milk Chocolate Milk <b>Misc.</b> Ranch Dressing Ketchup Packet	<b>Build-A-Meal</b> <b>Lunch Entree</b> Cheeseburger Oven Fried Chicken <b>Vegetables</b> Side Salad Red Bell Pepper Strips Vegetarian Beans <b>Fruit</b> Fresh Pear Slices Mixed Fruit <b>Grains</b> Cinnamon Rolls, WG <b>Milk</b> 1% Milk Chocolate Milk <b>Misc.</b> Ranch Dressing Ketchup Packet	<b>Build-A-Meal</b> <b>Lunch Entree</b> Chicken & Vegetable Egg Roll Pork Stir Fry <b>Vegetables</b> Side Salad Jicama Sticks Broccoli Florets <b>Fruit</b> Applesauce Blueberries <b>Grains</b> Long Grain Brown Rice, 1/2 c. <b>Milk</b> 1% Milk Chocolate Milk <b>Misc.</b> Ranch Dressing Ketchup Packet	<b>Build-A-Meal</b> <b>Lunch Entree</b> Rib Sub Sandwich (Beef) Los Cabos Beef & Cheese Taco Snack <b>Vegetables</b> Side Salad Cherry Tomatoes Cauliflower Florets Mild Salsa <b>Fruit</b> Mandarin Oranges Fresh Grapes <b>Milk</b> 1% Milk Chocolate Milk <b>Misc.</b> Ranch Dressing Ketchup Packet

**Meal Prices**

- Elementary Breakfast: \$2.00
- Elementary Lunch: \$2.85
- Middle School Breakfast: \$2.25
- Middle School Lunch: \$3.00
- High School Breakfast: \$2.50
- High School Lunch: \$3.25
- Reduced Lunch: \$0.40
- Reduced/Free Breakfast: \$0.00

**OUR WELLNESS POLICY**

**Nutrient Information Available**

**Build-A-Meal**



# The Menu Drives Your Business





# Prepare the menu

- Use the correct food
- Monitor the performance
- Ensure Consistency and Tracking
- Follow the standardized recipe

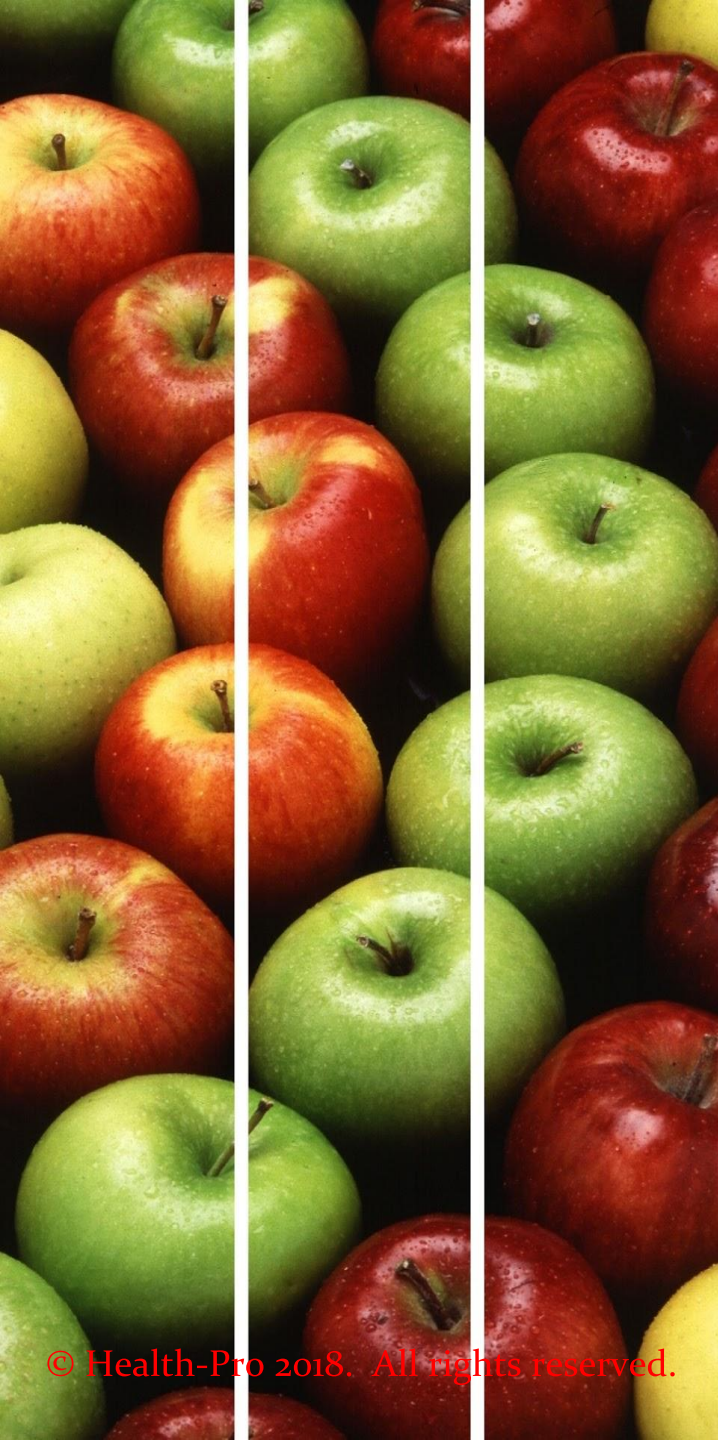




# Does this food work for my menu?

- Different products for different needs
  - Age groups/Portions
  - On site/Satellite
  - Time for Service/Meal
- Different programs
  - NSLP/SBP
  - Snack
  - Ala Carte





# Menu Optimization

- What items are popular?
- What is the cost of each item?
- How does the popularity compare to the cost?



# Key Performance Indicator – Menu Performance

How does this menu item compare to others

Recipe Name	Total Served	Popularity %	Recipe Cost	Entree Food Cost %	Profit Meter	Popularity Meter	Performance
Assorted Mini Whole Grain Donuts	183	20.24%	\$0.53	42.40%	Low	High	Workhorse
Choc Chip Muffin	314	34.73%	\$0.41	32.80%	High	High	Rockstar
Jimmy Dean Pancake & Sausage on a Stick	76	8.41%	\$0.49	39.20%	Low	Low	Dog
Jumbo Cereal - Marshmallow	112	12.39%	\$0.39	31.20%	High	Low	Puzzle
Jumbo Cereal - MarshmallowCereal - Jumbo - Honey Scooters	62	6.86%	\$0.39	31.20%	High	Low	Puzzle
Sausage, Egg & Cheese on an English	157	17.37%	\$0.67	53.60%	Low	High	Workhorse
<b>Total</b>	904						
<b>Average Food Cost</b>				38.59%			

# Cycle menus help plan efficiently.

- Established Patterns
- Save time
- Measurable trends
- Manage expectation
- Consistency
- Flexibility

8 Tuna Salad Sandwich, WG Cucumber Slices Fresh Oranges 1% Milk	9 Grilled Cheese Sandwich Creamy Tomato Soup Fresh Grapes 1% Milk	10 Spaghetti and Meat Sauce (Ground Beef and Ground Pork) Diced Peaches 1% Milk	11 Macaroni & Cheese Broccoli Florets Fresh Red Apple Slices 1% Milk	12 Teriyaki Chicken Stir Fry Broccoli Florets Fresh Pineapple Chunks Long Grain Brown Rice, 1/2 c. 1% Milk
15 Seasoned Beef French Dip Sandwich Green Peas Fresh Oranges 1% Milk	16 Bean Burrito, WG Cantaloupe 1% Milk	17 Popcorn Chicken Potato Rounds Fresh Grapes 1% Milk	18 WG Egg Salad Sandwich Baby Carrots Fresh Red Apple Slices 1% Milk	19 Penne Pasta Alfredo Primavera Broccoli Florets Fresh Kiwi 1% Milk
22 Hamburger Cucumber Slices Diced Peaches 1% Milk	23 Grilled Chicken Sandwich Three Bean Salad Watermelon Chunks 1% Milk	24 Goldkist Chicken Tenders Cucumber Slices Choice of Juice Fresh Red Apple Slices 1% Milk	25 Rolled Edge Cheese Pizza Broccoli Florets Fresh Pineapple Chunks 1% Milk	26 Peanut Butter and Grape Jamwich Green Bell Pepper Strips Fresh Oranges 1% Milk Mozzarella Cheese Stick Ranch Dressing
29 Tuna Salad Sandwich, WG Cucumber Slices Fresh Oranges 1% Milk	30 Grilled Cheese Sandwich Creamy Tomato Soup Fresh Grapes 1% Milk	31 Spaghetti and Meat Sauce (Ground Beef and Ground Pork) Diced Peaches 1% Milk	1 Macaroni & Cheese Broccoli Florets Fresh Red Apple Slices 1% Milk	2 Teriyaki Chicken Stir Fry Broccoli Florets Fresh Pineapple Chunks Long Grain Brown Rice, 1/2 c. 1% Milk

# Standardizing the recipe

- Portion size
- Calculated quantity of use
- Correct contribution
- HACCP Steps
- Cost

Recipe #: 513 (LOCAL)



**Applesauce, commodity, canned, 1/2 cup**  
Fruit

Ingredients	Quantity
Applesauce, canned, unsweetened, regular (pureed) form, without salt [100208]	13 <sup>2</sup> / <sub>3</sub> #10 can

#### Preparation Instructions

**HACCP Process:** #1 - No Cook

Food prep areas, Equipment, and utensils, to be used in recipe will be washed and sanitized prior to beginning the preparation and cooking. CCP: Assemble all ingredients, utensils, etc. to be used in recipe within easy reach of prep area so that food safety can be managed more effectively as well as better control of contamination and cross contamination.

Remove product from dry storage room using oldest pack date first.

CCP: Wash hands thoroughly before handling food, after handling contaminated food or objects, and before switching to another step where there is an opportunity for contamination. This applies as well to before and after glove use. Use clean pair of gloves when handling raw product. Replace gloves after handling any other object.

Clean top of can before opening. Ensure that can has no dents or defects. Using, clean can opener, open can. Discard lid. Caution: Edges are sharp. Use caution when handling.

#### This Recipe is a Sub Recipe in the Following Recipes

This recipe has not been used as a sub recipe.



**Applesauce**  
Serving Size: <sup>1</sup>/<sub>2</sub> cup  
Yield: 325  
Cost Per Serving: \$0.25

#### Nutrition Facts

Serving Size <sup>1</sup>/<sub>2</sub> cup  
Serving Weight 127.573 gm

#### Amounts Per Serving

Calories 54.372 kcal

**Total Fat** 0.064 gm

Saturated Fat 0.026 gm

# Effective Ordering



# Remove guesswork of ordering

- Ensure Correct Food
- Ensure Correct Quantity
- Utilize performance tools to help
  - Standardized Recipes
  - Buying Guides
  - Production Record
  - Inventory on hand
  - Track Usage



# Production Sheet Numbers

- Planned/Prepared Amounts vs Lunch Count
  - Prepared Amounts
  - Historic Adjustments
  - Reasons Why
  - Accurate Portions
- Leftovers
  - Used, Discarded, Saved
  - Actual Amounts used

## Daily Food Production Record On-Site Production

District Name: Westechum Unified School District  
 Meal Preparation Site: OnSite Elementary School  
 Menu: Elementary Lunch 2016-17 WSD  
 Meal Service: Lunch  
 Age/Group: USDA Grades K-8



Total Offered Meals: 20  
 Students served: 192  
 Adults served: 2  
 Total served: 194  
 Date: 8/29/2016  
 Offer vs Serve: Yes

Meal Item	Sub Recipes	Ingredients / Quantities	Recipe #	Portion Size	Offered - Students	Offered - A la carte	Offered - Adult	Offered Total	Total Amount Prepared	Leftover	Serving Temperature	Comments
<b>Lunch Entree</b>												
Four Cheese Pizza Slice			359	1 each	100			100	100	5	160/165/165	disc
Buffalo Chicken Grab Wraps			137	2 each	100			100	100	3	40/40	disc stud real this
<b>Vegetables</b>												
Baby Carrots			153	1/2 cup	100			100	100	15		disc
Celery Sticks			159	1/2 cup	75			75	75	25		look drie disc
Side Salad			397	1 cup	100			100	100	21	40	to b next
<b>Fruit</b>												
Apricot Halves			311	1/2 cup	150			150	150	15	40	use day
Fresh Grapes			255	1/2 cup	200			200	200	0		very grap toda
Fresh Kiwi			275	1/2 cup	50			50	50	0	40	left from yest
<b>Milk</b>												
1% Milk			547	1 carton (8oz)	50			50	50	30	40	rem cool
Chocolate Milk			549	1 carton (8oz)	225			225	225	5	40	rem cool





# Inventory Numbers

Distributor: Sysco

\*\*Quantity is calculated using the purchase weight.

Start Date \* 08/29/2016  
End Date \* 09/02/2016  
Delivery Date \* 09/23/2016

Ingredient	Distributor Code	Amount Needed	Amount on Hand	Amount on Order	Purchase Amount	Actions
<b>Canned</b>						
APPLESAUCE, CANNED, UNSWEETENED	25437	3.29 case	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="4"/>	<a href="#">Update</a>
PEACHES, CLINGSTONE, CANNED, SLICED, LIGHT SYRUP	100219	6.25 case (6/#10)	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="7"/>	<a href="#">Update</a>
<b>Fresh Produce</b>						
CABBAGE, RAW	239	17.65 head	<input type="text" value="1"/>	<input type="text" value="0"/>	<input type="text" value="17"/>	<a href="#">Update</a>
<b>Frozen</b>						
Cheeseburger, Beef Mini Twinpack on WG Buns, Cooked, 20.025#, 72/4.45oz, Don Lee Farms CB640 (2M; 2WG)	640	6.24 case	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="7"/>	<a href="#">Update</a>
FISH STICKS, OVEN READY 1 OZ WG, BREADED Baja, Trident 418304	4524235	8.72 case	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="9"/>	<a href="#">Update</a>
Cheese Pizza	76586	8.33 case	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="9"/>	<a href="#">Update</a>
Chicken Tender, FC CN Homestyle WG Strip w/ ISP, 156 svg/30# cs, 3ea, Gold Kist 625300	625300	3.52 case	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="4"/>	<a href="#">Update</a>
Beef Finger, WG Breaded, Cooked, 9.6#, 160/.96oz, Advance Pierre 3160WG (4=3.84oz 2M; 1WG)	3243	12.4 case	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="13"/>	<a href="#">Update</a>
<b>Dry</b>						
Ketchup Packets	2154	1 case	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="1"/>	<a href="#">Update</a>
<b>No Category</b>						
KIWI FRUIT, (CHINESE GOOSEBERRIES), FRSH, RAW	000345	7.11 case	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>	<a href="#">Update</a>
PEPPERS, SWT, RED, RAW	893	5.47 bag (5#)	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="6"/>	<a href="#">Update</a>
LETTUCE, COS OR ROMAINE, RAW	890	12.31 case (4/5#)	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="13"/>	<a href="#">Update</a>

[Save](#)



# Usage Tracking

- Prepared amounts
- Leftover amounts
- Over time/Average

Recipe: B: Popcorn Power Pack Lunch  
Date Range: August 05, 2018 - October 05, 2018

Menu Name: SY18-19 Lunch Menu HCS & HES

Date	Total Prepared	Total Served	Leftover	% Leftover
August 28, 2018	30	29	1	3.33%
August 30, 2018	20	20		
September 04, 2018	20	16	4	20.00%
September 07, 2018	28	28		
September 11, 2018	20	14	6	30.00%
September 14, 2018	28	22	6	21.43%
September 18, 2018	20	17	3	15.00%
September 21, 2018	21	16	5	23.81%
September 25, 2018	20	16	4	20.00%
September 28, 2018	17	17		
October 02, 2018	15	11	4	26.67%
October 05, 2018				
<b>Menu Average</b>	20	17	3	15.00%



This is usually where costing stops...

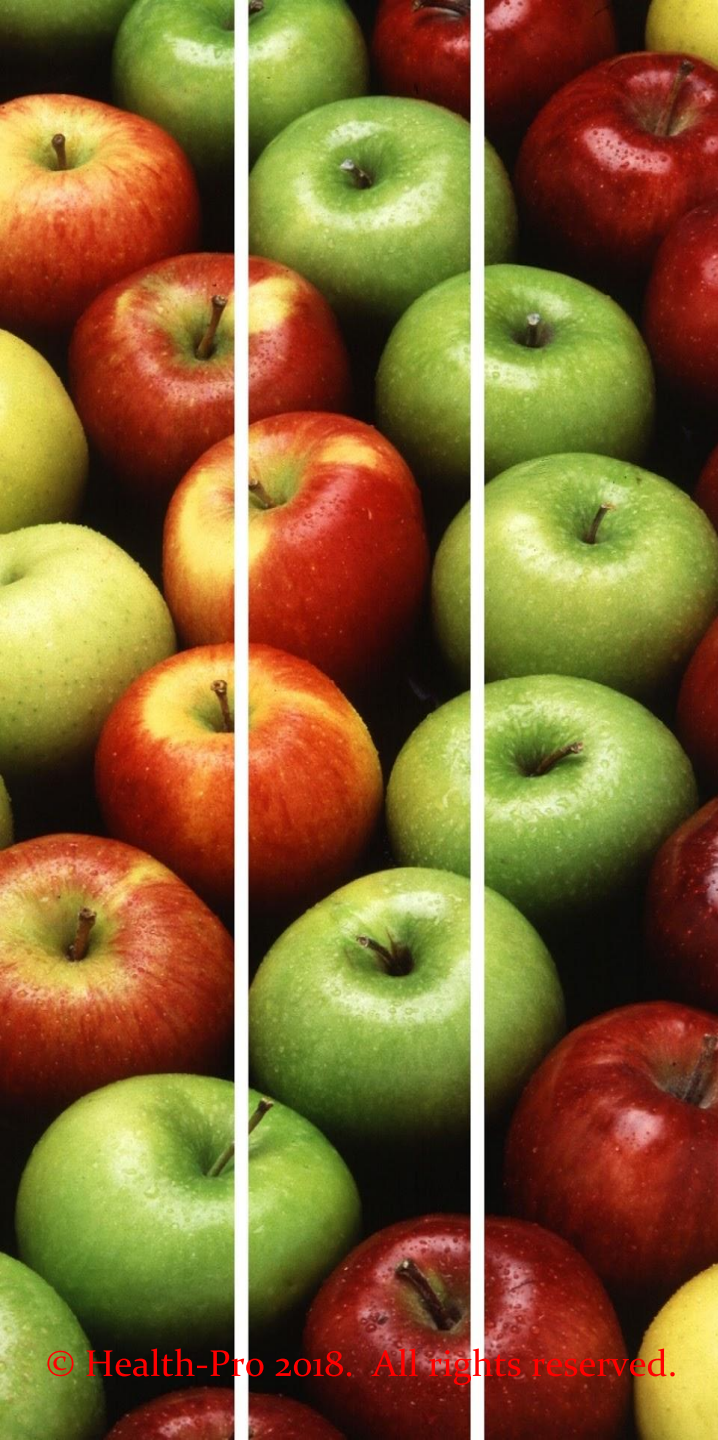
- Cost of food item
- Recipe cost
- Cost on the invoice



Key Performance Indicator is actual menu cost.

# Complete Menu Pricing





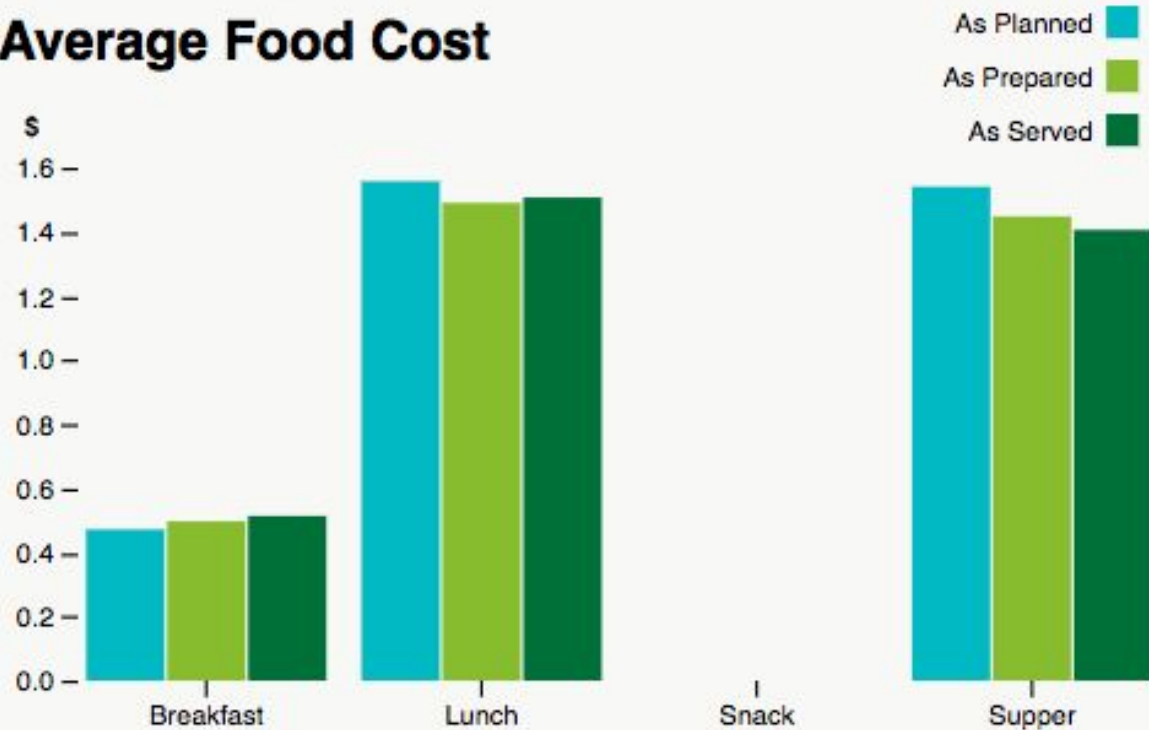
# BUT What is the Waste?



- Do students like this product?
- Do they “have” to take it?
  - OVS
- What could I do to make it more accepted?
- Can they eat it in time?
- What would they prefer?

# Real Cost

## Average Food Cost



- After meal service
- Evaluate post-meal production record
  - Accurate forecasting?
  - Accurate ordering?
  - Excess waste?
  - Leftover usage?

# Actual Cost is Performance Indicator

Menu Cost Report  
District: Westechum Unified School District  
School: Collecting Elementary School  
Menu: Elementary Lunch 2016-17 WSD  
Date Range: August 29, 2016 - September 02, 2016



Menu Item	Serving Size	Cost Per Serving	Total Planned Quantity	Total Cost as Planned	Total Offered Quantity	Total Cost as Offered	Total Served Quantity	Total Cost as Served
<b>Mon - 08/29/2016</b>								
<b>Lunch Entree</b>								
Four Cheese Pizza Slice	1 each	\$0.44	700	\$308.00	100	\$44.00	100	\$44.00
Buffalo Chicken Grab W raps	2 each	\$0.00	300	\$0.00	100	\$0.00	100	\$0.00
<b>Vegetables</b>								
Baby Carrots	0.5 cup	\$0.08	600	\$48.00	100	\$8.00	100	\$8.00
Celery Sticks	0.5 cup	\$0.00	400	\$0.00	75	\$0.00	75	\$0.00
Side Salad	1 cup	\$0.12	675	\$81.00	100	\$12.00	100	\$12.00
<b>Fruit</b>								
Apricot Halves	0.5 cup	\$0.00	700	\$0.00	175	\$0.00	175	\$0.00
Fresh Grapes	0.5 cup	\$0.00	950	\$0.00	200	\$0.00	200	\$0.00
Fresh Kiwi	0.5 cup	\$0.28	N/A	N/A	400	\$112.00	400	\$112.00
<b>Milk</b>								
1% Milk	1 carton (8oz)	\$0.21	400	\$84.00	25	\$5.25	25	\$5.25
Chocolate Milk	1 carton (8oz)	\$0.22	600	\$132.00	175	\$38.50	175	\$38.50
<b>Total Cost for Menu</b>				\$653.00		\$219.75		\$219.75
<b>Cost Per Serving (Day)</b>				\$0.65		\$1.10		N/A
<b>Tue - 08/30/2016</b>								
<b>Lunch Entree</b>								
Menu Item	Serving Size	Cost Per Serving	Total Planned Quantity	Total Cost as Planned	Total Offered Quantity	Total Cost as Offered	Total Served Quantity	Total Cost as Served

- Projected Menu Cost
- Prepared Menu Cost
- Served Menu Cost
- Amount Remaining Cost
- Waste Cost



# Monitor your Meals

1. What is variable?
2. Influence the cost.
3. Plan a menu.
4. Order and Forecast.
5. Analyze the End.







# Know your Numbers & Bring Food Cost Down



And bring participation up!