



restaurant

restart | recover | re-emerge

DO THE MATH: OVERALL FOOD COST

What's your percentage – and your chance to profit?



JUST THINK: Every percentage point you can come down on food cost, the more money you pocket. Every day, every week, year after year. And there's good news: Plenty of strategies make a difference here, from savvy ordering and inventory tracking to effective menu design to reducing waste in both the front and back of the house. Don't have a clue what your current food cost is? **THEN LET'S START HERE.**

28% TO 35%

Food cost generally incurred by profitable restaurants.

OVERALL FOOD COST (%)

$$\text{FOOD COST \%} = (\text{BEGINNING INVENTORY} + \text{PURCHASES} - \text{ENDING INVENTORY}) / \text{FOOD SALES}$$

First, choose your inventory period, e.g. 1 week

Inventory value at the beginning of that period:	\$	
		+
Purchases made during that period:	\$	
		-
Inventory value at the end of that period:	\$	
		=
	\$	
		÷
Food sales for that period:	\$	
		=
TOTAL FOOD COST		%

Making more money does not mean buying cheaper, it starts with understanding the levers for restaurant profitability.

SIZE MATTERS:

- Are your portions too big?
- Are a lot of customers getting to-go bags?
- Is product being returned to the kitchen?
- Is kitchen staff using portion control tools?
- Does your kitchen staff always follow recipe guidelines and plating examples?

PROFIT MARGINS:

- Are dishes priced accurately?
- What's your competition charging for a similar dish?
- Do you have a feel for your comps, or is waitstaff forgetting to charge for add-ons and substitutions?