



Checklist of 50 Ways

How to Cut Costs Without Reducing Quality or Guests' Experience

We often talk about the astounding number of ways there are to lose money in the restaurant business, whether it's in the kitchen, dining room, bar, storage areas or back office.

This being the case, it stands to reason that there are also lots of things that operators can do to stem potential losses by modifying how they do business in these areas.





50 Ways to Cut Costs...



1. Lower inventory levels

- Evaluate your inventory levels product by product and base your reorder levels on how much you think you'll actually use until the next delivery comes in and add in a small but reasonable safety factor.
- By reducing excess inventory you'll have less waste and spoilage and you'll likely see your staff do a better job of portioning and handling your expensive products when there is less of it on hand.

2. Daily inventory on key items

- One of the most basic and effective cost controls in the restaurant business
- If actual usage is greater than the POS (point of sale) usage, investigate immediately. Could be a sign of theft, over portioning or other food-use problems.



3. Get rid of trash cans in kitchen

- If there's a training gap or people are careless when slicing, dicing, or prepping anything in your kitchen, good, usable (and expensive) products can end up in the trash.
- Move all the trash cans out of the kitchen, and replace them with clear plastic food boxes.

4. Check garbage cans in the dish room

- Operators occasionally inspect the contents of dish room trash cans and often find expensive china, glass, silverware, etc. They are potential profit holes.

5. Place a video camera in your dumpster area

- Having a video camera pointed towards your back door and dumpster area allows you to play back the suspicious periods of occurrence.

6. Never allow employees to take trash out without manager approval

- Specific times are set for removing trash, giving managers the opportunity to visually inspect what is being discarded.



- 7. Consolidate purchases with a prime vendor arrangement**
 - Consolidating the majority of purchases with one supplier tends to offer the opportunity to lower overall food prices and costs.
 - Close relationship with their prime supplier is one of the main reasons for their success.

- 8. Audit first and last 15-30 minutes of every shift**
 - A casual or slow pace especially during these times may indicate that they could get the same amount of work done on their shift with fewer hours on your clock.

- 9. Stop doing a repetitive schedule**
 - Prepare the weekly labor schedule based on anticipated sales and customer counts.
 - As business slows or ramps up, adjust employee hours accordingly.

- 10. Establish and use detailed specifications for every product you buy**
 - Detailed specs are needed to ensure consistency of your products and to accurately compare bids.

- 11. Don't accept deliveries during lunch!**





12. Ensure the maximum usage of your products

- Have a plan to use usable trim and by-products somewhere else on the menu.
- Soups, garnishes, sauces, etc.

13. Use a bus tub for plate scraping in the dish landing area

- It makes it much easier for staff to see what has been tossed and the dishwasher can separate utensils before emptying the scrapings into the trash.

14. Buy only what you need

- Over purchasing is one of the most expensive things.
- It leads to more waste, spoilage and over-portioning.

15. Use purchase orders

- Keep a record of what you ordered, the quantity ordered and the quoted price.

16. Don't let drivers into your storage rooms

- After properly checking in a delivery, have one or more of your employees put the delivery away.

17. Calculate cash over/short with each checkout

- Use a properly designed cashier checkout form so you can catch any cash discrepancies for each cashier.



18. Use a scale

- Weigh products that you buy by weight.

19. Calibrate dial scales

- Keep your scales (and portioning) accurate by regularly calibrating them using a separate weight like a roll or two of coins. A roll of dimes weighs 4 ounces; a roll of quarters, 8 ounces.

20. Focus on selling your highest gross profit menu items regardless of food cost

- There are times when a higher food cost can mean more profit.
- Steak may have a high food cost but it will usually bring in more gross profit dollars.

21. Calculate and report on your cost of sales and labor cost every week

- It's a fact: What gets measured improves your bottom line and your biggest and most volatile costs are food, beverage and labor costs.

22. Lock up and dispense towels, aprons and napkins

- An often overlooked area for cost savings is that of linen and laundry.
- To reduce this cost is to issue towels and aprons at the beginning of each shift rather than allow staff to get them whenever they want.



23. Lock up your liquor, beer and wine

- A proven method for reducing theft and unrecorded sales is to keep backup inventory of liquor, beer and wine under lock and key.
- Keep an inventory log of all items issued and of deliveries from vendors.

24. Clean draft beer lines regularly

- Have you ever watched as your bartender is pouring a draft beer and has the glass tilted to the spout while foam flows down the drain? On average, restaurants waste 5-10 % on draft beer.
- Temperature, air pressure and dirty beer lines greatly affect your yield.

25. Use glass racks to store dirty glasses

- In the fast pace of turning tables, loose glasses will get broken

26. Use a metal detector to scan soiled linen bags

- It's amazing how much silverware gets thrown into soiled linen bags.

27. Cost out your schedules

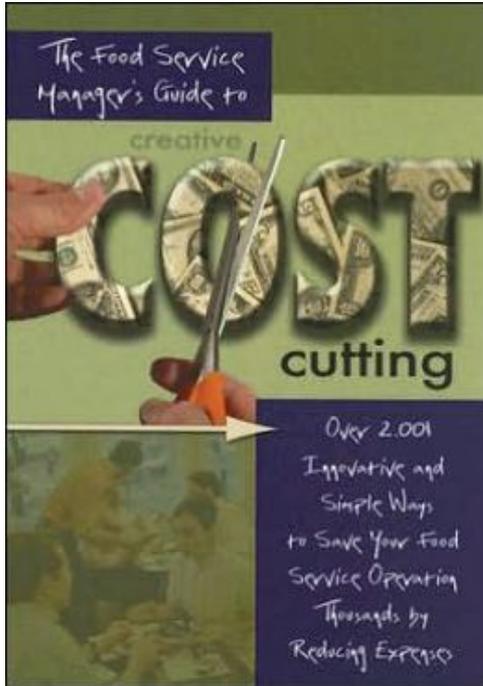
- Schedules should be made to meet the demand of anticipated sales.
- Actual labor cost should be compared with sales daily as a measure of efficiency.

28. Have managers carry a shift card with scheduled employees & hours

- The shift manager can carry it during the shift and refer to it often to see when employees should begin side work or cleanup as business slows down.



© 3poD * www.ClipartOf.com/80608



29. **Use requisition printers for kitchen and bar; pre-ordering orders before service**
 - Having a POS or cash register system capable of sending orders to the kitchen or bar will help reduce your cost of sales by at least 5%.
 - You ensure accountability and reduce the opportunity for theft.
30. **Eliminate the open food and open liquor keys from your cash register**
 - When you establish a selling price you also establish the anticipated profit.
31. **Cost out every menu item and recipe**
 - First, projecting a cost target is to create a master inventory list and pricing of every ingredient you purchase.
 - Using the master inventory, you can calculate the cost of every recipe and menu item for comparison with the selling price of the menu item.
32. **Calculate your ideal cost regularly**
 - The prerequisite for controlling food cost is to know what your food cost should be – your food cost target.
 - The difference is the potential cost savings lost to over-portioning, theft & waste.
33. **Update the surround cost of your menu**
 - Table condiments, chips and salsa, bread and butter; are all surround costs which need to be considered to have accurate menu cost expectations.
34. **Pre-portion menu item ingredients**
 - Pre-portion is necessary to control costs and stick to predetermined recipes.



35. Use recipe quick-reference on the kitchen line

- Display quick-reference charts at each station, containing ingredients and portions for each menu item.

36. Use an order guide

- A set of forms that contain a listing of all the products a restaurant uses. It is divided into separate sections such as meat, produce, cleaning suppliers and paper.
- The order guide form is used as a tool for counting and tracking all items in the restaurant making it easier to reorder also placing orders with vendors..
- By seeing historical product usage, you can adjust your pars as needed and keep inventory at optimum levels.

37. Maintain accountability for voids, comps, and discounted sales

- Holding managers accountable to maintain documented reasons for voids and discounts will reduce the likelihood of them using the void function to pocket cash sales.

38. Reconcile cash on hand every shift

- A proven method for tracking cash on hand is to first never mix cash received from sales with your cash-on-hand fund. Change the fund and petty cash fund at the end of every shift and have managers sign off.

39. Conduct periodic surprise cash audits on cashiers

- Every so often during a shift pull a cashier's or bartender's cash drawer.
- Count the actual cash in the drawer, if there is a 'overage', you either have a problem with incompetence or someone's cheating the business.



40. Establish daily prep level pars

- By establishing and constantly re-evaluating par levels for all prepped items, you help to reduce excessive waste.

41. Track shrink and waste on in-house cut fish and steaks (includes roasted and smoked meats)

- If you cut your own steaks, seafood, poultry, etc., it is a certainty that the true cost per pound of the finished product will be significantly greater than the original purchase price.

42. Know the optimum sales and number of customers served per labor hour for each day part

- Finding the optimum levels for your restaurant and meal periods ensures maximum productivity.
 - When sales or customer counts are too low = possible scheduling or shift management problems
 - Too many customers or too high of sales per each labor hour expanded = understaffing problems resulting in poor customer service.

43. Use compulsory cash drawers

- Common methods for controlling cash at that cash register is to only allow the opening and closing of the cash drawer by ringing a sale or pressing the 'No Sale' key, both of which provide an audit trail.

44. Use a customer display at cash registers

- Customer displays are used to show the price of each item being rung and the total of the bill.
- One of the easiest ways for bartenders or cashiers to steal from you is to under-ring the sale in the cash register while still charging the customer the full amount.



45. **Never allow more than one person to access a cash drawer!**
46. **Schedule prep for off-peak meal periods**
 - Rather than scheduling prep before you open, consider doing the majority of it during open hours and off-peak times.
 - That way if you do suddenly get an unexpected rush you'll have enough bodies to meet the demand.
47. **Cross-train kitchen line cooks, bartenders and servers**
 - By cross-training some of your staff to be able to do multiple jobs it allows you to reduce the number of staff schedules, especially for the kitchen line.
 - It also allows you to supplement and employee's hours by allowing them to work where needed rather than finding a few extra hours to make them happy.
48. **Maintain at least one-third of your staff as part-time employees**
 - Having additional staff to take up the slack when full-time workers are absent or approaching overtime is also a great way to avoid excessive overtime.
49. **Filter frying oil every shift**
 - Keeping oil clean and fresh not only enhances the flavor of the food, but also prolongs the useful life and therefore helps controlling the cost.



... and the 50th Ways to Cut Costs without Reducing Quality is



- 50. Turn off unneeded burners, fryers or ovens during off-peak time**
- Incorporating the temperature setting and use of equipment into opening, shift change and closing procedures can produce significant cost savings.