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10 Things You Can Do Today to Increase Menu Profitability

The best restaurateurs have always scrutinized every aspect of their business for ways to increase efficiency to maximize profits. Today, it is required for every operator simply to remain in business.

By Joe Abuso

Between fewer customers, many of who are demanding more satisfaction but expect to pay less for it, and rising costs, not to mention plenty of competition doing their best to rise to the challenge, much of the wiggle room many restaurateurs have had in the past in profitability is gone.

The best restaurateurs have always scrutinized every aspect of their business for ways to increase efficiency to maximize profits. Today, it is required for every operator simply to remain in business.

Of course, any attempts to increase profitability must be conceived of with the big picture in mind. Saving a little money on food costs by serving disappointing food or trimming labor costs by providing annoying service won't increase your profits; it will eventually put you out of business.

Let's look at 10 things you can do, all focused on your menu, to increase your profitability that won't lower the quality of your customers' experiences but will, in one way or another, actually increase it.

1. Improve your inventory/ordering system. As we all know, food costs are one of a

restaurateur's biggest expenses. If handled well, they will be a key factor in your success. Mishandled, they can make it impossible for you to make any money. Good food costs start with good ordering, which is largely dependent on how useful your inventory is. The goal of purchasing is to have just what you need, when you need it, at the best price you can get it for, while still receiving an acceptable level of service from your vendor.

Every purchase should be determined by your menu, what you already have in-house, and your anticipated amount of business. Whoever is placing the orders should be intimately familiar with all three factors.

A list of all food items, including accurate specifications, vendors, terms and prices should be available, and used. Spreadsheets are great for this. Par stocks should be determined, and a physical inventory taken before each order is placed. It doesn't need to be a complete, end-of-the-month-caliber inventory, but an informed glance at the most important, expensive or perishable items is important. Ordering things you don't need, especially if they are very perishable, is a careless, unrec-





essary and expensive mistake. And not ordering something you do need will frustrate your kitchen crew, waiters and customers. Having a good system in place that is actually followed will prevent both mishaps.

2. Improve your receiving system. After you've made sure that you've ordered the correct amount of the right items, your next chance to maximize your profit is to do a good job of receiving them. The goal of receiving is to check that you are getting the correct amounts of the items you've ordered at the price you agreed to.

It sounds simple, and it is. Unfortunately, it's so simple that it's often taken for granted, and shouldn't be. What's the use of going through all the trouble to do a great job of purchasing, only to have it wasted by what is probably just honest, inevitable mistakes that will cost you money as well as customer (and employee) satisfaction? First, realize that you should never take for granted, no matter how busy your staff is, that your vendors are delivering what you ordered. Have a convenient system in place to check in every order. It should include a well-lit space, convenient access to your order forms, a person who can count and is qualified to discern good products from bad (produce, seafood, meats...) and a functioning scale to weigh the incoming product. Make sure they use the scale. Also be sure that they are checking the delivery against your order form, not the driver's invoice. It does you no good if their invoice indicates 5 pounds of asparagus, they're delivering 5 pounds of asparagus, but you ordered 50 pounds. Trouble-free returns and refunds for subpar or incorrect deliveries and fast deliveries of shorted items are two of the most important things to look for in a vendor.

3. Improve your storage habits. Now that you are sure that you have received exactly what you ordered, and at the correct price, it must be stored in such a way that you'll get the maximum shelf life out of it, and that it will be apparent to those concerned that it is, in fact, part of your inventory.

Train your staff so that it is second nature for them to rotate the stock when putting it in its place. Although it's definitely more important to do so with fresh salmon than cans of toma-

toes, have them do it for everything. Each item should always be put in the same place as much as possible. Seafood should be iced, produce organized, dry goods arranged as if in a grocery store. Ensure that everything is stored in such a way to keep it fresh, accessible, and easy to see and reach. Dry storage areas should be well-ventilated, vermin free and, as much as possible, have enough space and lighting to make it easy to access and inventory their contents. Refrigerators and freezers should be checked and maintained to have the correct temperatures. All storage areas should be regularly cleaned and organized. Any product that spoils before it is used is a waste of money due to nothing but lack of attention and forethought.

It's important to realize that every bit of food you spend money on that ends up being enjoyed by your guests in the dining room due to care in purchasing, receiving and storage is as important to your bottom line as any of the other more obvious or glamorous parts of cost control ("glamorous" being very relative in this case).

4. Improve the interrelation of various menu items. It couldn't be more clear or easy to see how important it is to have a menu mix that gives your guests a variety of options that will keep them coming back for more. Less apparent to your success is a menu that contains items that play off one another well in your kitchen in terms of 100 percent use of product.

This is not something your guests should be aware of, but it's something your chef should pay a lot of attention to. If you are writing a new menu, you can think of each dish as an opportunity to make the most of each ingredient in every way possible. If you are serving broiled duck breast as an entrée, think about buying whole ducks and using the legs and thighs for confit and the carcasses to make stock for the sauce. If you've decided it makes sense for you to purchase whole fish instead of fillets in some cases, use the bones and heads for stock. Not only will you not waste a perfectly good product, your sauces will taste a lot better than the restaurant down the street that uses fish base.

If you cure your own salmon, the scraps can be used to make a spread to put on toast points for garnishing a salad. Trimmings from steaks can be saved up to add to a great chile con carne, or maybe a soup garnish. Processing vegetables

almost always results in scraps that can be used in something. Whether you make a coulis from the tops and bottoms of red bell peppers left from julienne used in one of your appetizers, or just put onion scraps in the stockpot, it's a lot better than throwing them in the garbage. Making sure that scraps from one station end up in the hands of another cook who can turn them into food on plates in the dining room takes a little thought, coordination and cooperation. It's worth the effort.

5. Know your cost for each item on your menu. Not all of the items on your menu are created equal in profitability. Unless you know exactly what you're paying for each dish, you won't really know your money-makers, which items you should have your waiters suggest more often, the items on which you should raise prices, or which items you might consider dropping altogether. A good first step in figuring out your real costs is to update your inventory list with accurate, current prices.

Then take the time to see how much, exactly, of each item goes on each plate. Although you want to be very accurate, it is possible to go overboard. While you definitely want to be sure about your cost for the most expensive items on a plate (typically the protein and maybe some expensive cheese, vegetables or fruit), it might be counterproductive to figure out just how much a sprig of parsley or a pinch of kosher salt is setting you back. Be sure to use the "edible portion" costs rather than the "as purchased" costs when relevant. By edible portion (EP) cost, I mean the cost of the product that actually ends up on the plate, as opposed to the as purchased (AP) price, which is what you paid for the item before you processed it.

An example would be beef PSMOs (peeled, silver skin, side muscle on). Weigh the tenderloins before removing the chain and silverskin, and figure out what you paid for them (the AP cost). Then weigh the tenderloins after butchering. Your actual cost for whatever those butchered tenderloins weigh (the EP cost) is the amount you paid for the untrimmed tenderloins.

Any effort you put into figuring out the cost of each plate on your menu is for naught if you don't keep an eye on portion control. Have plenty of the correct serving tools handy, whether they are ladles, spoons or ounce scales, and

make sure they are being used. For some items, it makes sense to do the portioning during prep, so that the line cooks don't have to worry about it at service.

6. Know when to raise prices, and then do it. So far we've talked about increasing our profit by keeping our expenditures in check, operating under the tenet, "a penny saved is a penny earned." More often than not, this is a good way to go. After all, no customer will hold it against us if we become more efficient in our operations, especially if the results they see are fresher, more consistent food. Sometimes, in spite of running as tight a ship as possible, prices must rise. For instance, if after ascertaining that one of your most popular dishes costs you \$12.50, and its price on the menu is \$9.95, something has to give.

No matter how many you sell, you won't make up the difference in volume. When raising prices, probably the worst tactic is an across-the-board increase. A better approach is the more surgical attack of raising prices on select items that your customers will be able to relate to ("well, the price of shrimp in the supermarket is up, too"). This way it's clearer that you are, regrettably, passing on some hard costs and merely sharing the pain. This is preferable to being perceived as greedy, or as trying to make up for bad business decisions.

Realize that when you raise your prices, you're opening yourself up to a little more scrutiny from your guests. Use this as an opportunity to reassess and manicure every aspect of your operation, so that both your guests and your business will get the most out of the price increase.

7. Offer regular, profitable specials, then help your waiters sell them. Making specials a regular part of your offerings is a good idea for a lot of reasons. They keep things interesting for your kitchen staff, waiters and customers; are a great way to use product that might otherwise go to waste; improve relations between the front and back of the house; and, perhaps most importantly, give your waiters a foot in the door to start conversations and establish rapport with customers.

Depending on your kitchen crew, you might open up the creation of specials to staff other than your chef. Any opportunity to help your





people feel pride in their work should be taken. Whoever comes up with the dish can talk about it to the waiters as they sample it, hopefully stirring their interest and enthusiasm. This is also a perfect way to help your front-of-the-house staff and back-of-the-house staff realize that they are all on the same team, working to make your customers happy enough to come back, often.

Ideas for specials can come from many sources. One is when your chef needs to figure out what to do with food that didn't sell well in its original guise. If too many roasted chickens were made on Tuesday, how about running a chicken potpie special on Wednesday? The seasons will always be a source of inspiration. The first chilly day of the year would be a great time to make a pot of beef barley soup, especially if there were a few pounds of beef trimmings in the walk-in. United States regional cuisine is a rich mine of ideas, as are various ethnic foods. Your kitchen staff, especially when they get into the swing of it, is bound to be a source of new ideas.

Take the time and effort to cost the specials out, so you'll know how to price them. And don't underestimate the importance of making sure your waiters are familiar with the new dishes and how good they are. Nothing sells itself.

8. Pair wines and beers with your menu items. One of the best ways to increase check averages in the most profitable of ways is to train your wait staff to be well-versed in which wines and beers go best with the food they serve. Take the time to come up with at least one beverage, whether it is a wine by the glass or a pint of beer that your guests are likely to enjoy with each of your dishes.

Schedule regular food and wine/beer tastings with your staff, led by someone who can explain, and then show them just how nicely a certain wine or beer will go with a certain dish. The sooner you can get your waiters excited about this aspect of the business, the better. Asking your guests, "Do you want anything to drink besides water?" is wrong in so many ways.

Give your waiters the tools and encouragement they need to demonstrate their enthusiasm, knowledge and appreciation for what's on your menu and what's available to drink with it, and everyone wins. Depending on your operation,

you might consider expanding this concept further, to bottles of wine at several price points. The effort and training you put into a well-conceived beverage program will be repaid many times over in customer and staff satisfaction, as well as profit.

9. Have a separate dessert/after-dinner drink menu. If you've gone through the trouble to put together a great assortment of desserts and after-dinner drinks, go just a little bit further and make it easy for your guests to order them. A lot of your customers are on tighter budgets, and more restrictive diets, too. Not that you want to be a bad influence, but a little treat never hurt anyone, and a night out in your restaurant should be a reason to celebrate. (If it's not, that's something else you should be thinking about.)

Hopefully, by the time your guests have finished their entrées, they have developed enough trust in their waiter that they would at least consider taking their recommendation about a dessert or drink that they think is absolutely worth the calories and expense. A well-conceived, attractive dessert/after-dinner drink menu might be all that's needed to convince them to stick around for one more course. Depending on your operation, it might make sense to have a separate bar menu as well.

Speaking of menus, take a close look at yours. Are they immaculate? Do they accurately convey the message you want to communicate about your establishment? Do they highlight your most popular and profitable items? Does your pricing make sense from one item to the next? Is the font size big enough for your typical client to read in your restaurant's existing light? If the answer to any of these questions is not an emphatic "Yes," seriously consider revamping them.

10. Make sure everything is rung up, especially drinks. Doing any of the things mentioned in this story is guaranteed to increase your profitability. Most of them are a process, and if you start the process today, the benefits will start today, too, but they might not be noticed for a little while. This last item is the easiest and simplest, but if you are only going to do one of them, this is the one to pick.

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