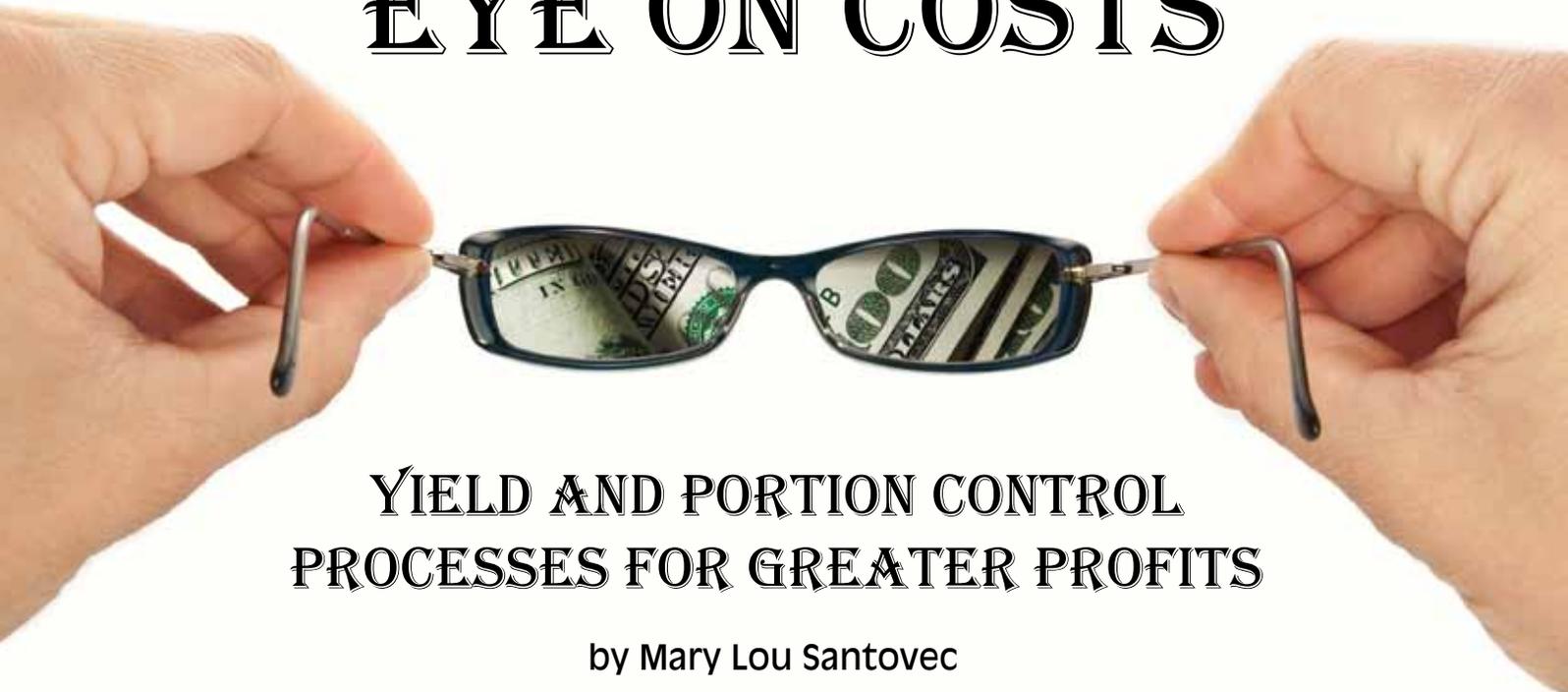


KEEPING A CLOSE EYE ON COSTS



YIELD AND PORTION CONTROL PROCESSES FOR GREATER PROFITS

by Mary Lou Santovec

A potato is a potato, right? Not if you're looking to improve your bottom line. After labor, food is the highest cost an operator incurs. So, the aforementioned vegetable's purchase price, how it comes into your kitchen and how you prepare it directly impacts your profit.

Challenging economic times are driving many restaurants to take an even closer look at yield analysis and portion control in their operations.

"I don't mind seeing a good portion of mashed potatoes go out rather than a good portion of hash browns," said David Schoonover, owner of the Allouez Café in Green Bay. Per ounce, hash browns cost more to serve than mashed potatoes. If you're keeping a tight rein on your costs, controlling your portions and knowing the real price of each item is critical.

Schoonover learned his lesson early on. "My first assignment was to do a food cost on every item on the menu down to the penny," he said. That experience has stuck with him. "If you want to make money, you have to keep an eye on your invoices and know what you're paying."

"Yield testing, portion control and menu costing is one of the first things you learn in the kitchen," said Robert Fedorko, executive chef at the Marcus Corporation's Grand Geneva and Timber Ridge Resort restaurants in Lake Geneva. "A chef is not only a cook, but a businessperson that must maintain controls and cost initiatives."

Milwaukee restaurant consultant Peter Kwong of Five Star Restaurant Consulting, agreed saying, "A restaurant is like a bank with an open door. If you don't control it, money walks out of the door." With your total budget being divided between food, labor and other costs, controlling the one you can—food—is where the profits lie.

"Selling food is a business and that business must be efficient and controlled for profitability," said Fedorko. "Having a solid procurement, purchasing and cost control program is very difficult to manage but the value is tremendous."

Chef Jeff Igel, CEC, CCE, CCA, FMP, chairman of the Department of Culinary Arts and Hospitality at Fox Valley Technical College in Appleton, considers yield analysis and portion

control to be the keys to a profitable operation. Igel's seminar on this topic at the 2010 Wisconsin Restaurant Expo in Milwaukee was very popular with foodservice operators, drawing a standing room only crowd. (The Expo presents several free seminars every year on the a variety of restaurant management and operations topics.)

Using ground beef as an example, Igel explains how yield determines if the cheapest form of an item is really the best deal.

"Ground beef is sold by lean to fat ratio. If your ground beef is 80 percent lean and 20 percent fat, the yield or the net weight after cooking will be less than what you started with," he said. "With 10 pounds of 80/20, you'll get 7 pounds of usable product." The amount of usable product, or yield, will differ depending upon whether the product's ratio is 90/10, 80/20 or 75/25.

If you think you're getting a good deal because the 80/20 ground beef is cheaper than a leaner cut, think again. "You bought it at \$2 per pound, but the actual price is \$2.86 because you calculate the cost based on what you can use," said Igel.

Using the 80/20 grind in tacos or

chili where the amount of meat in a serving isn't as controlled as in a quarter-pound burger is fine. But realize that how the meat is cooked and served will determine if you're making or losing money. The key is to buy the right product for the dish or find the right dish for the product.

One way of mitigating the shrinkage is to slow down the cooking process. A 7-pound pork loin that's slow roasted generally results in 6 pounds of usable meat when you're done. "The slower you cook, the less it will shrink," says Igel. "Slow roasting pays you back."

For high-cost items such as meat, fish and chicken, calculating yield makes economic sense. But it shouldn't stop there. Don't forget your dry and canned goods, such as canned diced tomatoes, a

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staple in many professional kitchens.

"You can purchase a cheap item that saves you quite a bit of money, but you pay for water packed with the tomatoes," said Fedorko. "You must do a yield test to see what you actually pay for in a tomatoes-to-water ratio. The yield will tell you what the best buy is going to be from a yield standpoint. Quality also adds to the equation."

Know what you're purchasing

For restaurants like those at the Grand Geneva or Becket's in Oshkosh, yield begins with purchasing. "We organize our purchasing structure through the Marcus Procurement program," said Fedorko. "Through the program we target our purchasing contracts for quality, best yield, price and portion control potential.

"We have strict guidelines on all items but especially target high-cost items such as meat and fish, bacon, chicken and fresh orange juice," he added. "We analyze the yield test of our major supplier regularly for cost accuracy and consistency." Each month, Fedorko and his team cost out menus and track sales and costs in a simple tracking system.

According to Kwong, there are three additional factors that help control yield costs: spillage, spoilage and theft. The waitress who accidentally drops a full plate contributes to spillage. Poor storage leads to spoilage. Theft is as simple as knowing if your employees are appropriating stock for personal use.

Too much of a good thing?

Yield is only half the equation. Portion control is where the rubber meets the road. Igel provided this example. If a chef serves 4 ounces per order from that 6-pound pork loin, he can expect to get 24 servings. Now if the guy cutting the loin gets 21 servings out of it, the restaurant has lost the revenue that would have come from those extra three portions.

The customers might be happy but the restaurant has diminished profits. "Portion control was always important," he added, "but the economy has reminded us how sharp we should become."

The restaurants at the Grand Geneva and other Marcus Hotel restaurants



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operate scratch kitchens so portion control is generally done on site. "Some items that are high-volume products such as French fries become portioned and plated as single-serve items. These are prepared in batch form and to order," said Fedorko. "High-cost items such as meat, fish and chicken are portion controlled by a senior person or a source company."

Standardize for efficiency, better control

Fedorko and his team standardize each plate. "We set a standard for items such as chicken breast, establish their portion and application, spread that application across all disciplines and source the correct size chicken breast already portioned," he said. "A salad and sandwich for lunch or dinner have the same portion and size chicken so the process becomes simplified for the team."

For items that aren't easy to portion by sight, a measuring device can efficiently ensure equal portions. "The

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“Every restaurateur has byproducts and the successful one figures out how to use them.”

– Chef Jeff Igel,
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the successful one figures out how to use them,” said Igel. “Ideally you should have a daily menu so that you can react to the market.”

Becket’s hosts its local Rotary Club on Mondays. With no set menu for the group, owner and head chef Mike Buckarma has the freedom to serve them whatever he has an oversupply of.

And an excess of one product becomes the sauce, soup or sandwich for the day. “Our customers have taken really well to any special we’ve put together,” he said. Specials from previous months that have done well are incorporated into future menu changes.

Creativity and flexibility are the hallmarks of a good operator. If you can bone out a chicken or a duck leg, you can turn a low-cost product into something special that you can sell at a higher price point. “If your purveyors are your partners, and are tipping you off about a future rise in prices or a shortage of product, you can plan accordingly,” said Igel. “There are always products out there you can use.”

Work the Specials

Another way to save costs is to take advantage of limited-time offers from suppliers. The Allouez Café offers daily and weekly specials and a chef’s choice on Sunday. “We get daily and weekly specials from our purveyors and build our specials from that,” said Schoonover. “It’s a cost-control thing.”

cook can see the portion and the server can verify the portion prior to being served,” said Fedorko.

Some restaurants with multiple cooks will hang photos to show how each plate should look. “If you’re detailed enough to have each plate and portion look the same, your chance of success is better,” said Kwong.

Cutting your own meat is another way to control portions. But if you’re doing it yourself to save money, you must be very accurate to ensure maximum cost effectiveness. Twenty years ago, pre-cut portions weren’t as popular as they are today. But purchasing the meat pre-cut alleviates the problems caused when the cook calls in sick or over-portioned a plate. It also reduces your labor costs.

Working from recipes helps maintain profit margins. “Recipes are very important,” said Kwong. “They control the flavor and the cost, especially if you’re using expensive ingredients.”

Dealing with Byproducts

There are few things that you can sell 100 percent. Since you’ve already paid for the initial product, whatever is left must be able to be converted into cash. “Every restaurateur has byproducts and

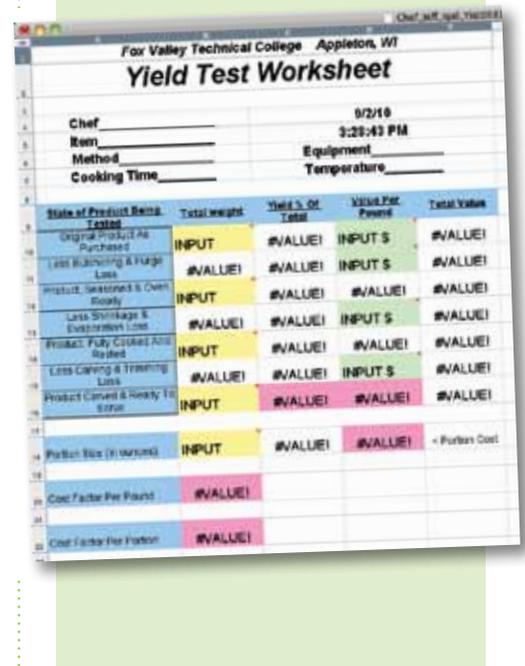
Yield Test Worksheet Available Online

You can download the Yield Test Worksheet that Chef Jeff Igel provided in his Yield and Portion Control seminar at the 2010 Expo.

To learn more, just visit www.wirerestaurant.org/costing for this useful food costing tool.

Check out more practical tools and resources for foodservice operators on the WRA website in the “Members Only” section.

www.wirerestaurant.org



Decide Where to Splurge

While examining costs, it’s important that you balance cost controls with the overall goal: happy customers. The Allouez Café makes all of its breads, soups and pies from scratch.

“We use heavy cream instead of milk in our soups and fresh broccoli instead of frozen because our prep cook was brought up that way,” said Schoonover.

Those high-cost ingredients nick the bottom line but keep the customers coming back. “What you lose in profit margins, you gain in volume,” he added. “And you make more money with a full restaurant than in a half empty restaurant.” **WR**