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Problem Solving for Student Businesses

Food Service Consultant answers your questions: Why is my food cost so high?

In my experience working with food service and restaurants, food cost problems can be explained predominantly by problem-purchasing, waste, portion control and,wait for it, lack of receiving controls.

Lack of receiving controls

What often happens when food is delivered is that the driver unloads the goods and hands someone the invoice, or in many cases, just drops the invoice with the items. If a co-manager is on the ball, he or she checks to make sure that everything is there and puts the stuff away.

- Did the co-manager put the invoice away safely for the bookkeeper?
- Did the co-manager insure that everything on the invoice was correct?
 1. The portion was the portion listed on the invoice
 2. The brand was the brand listed on the invoice
 3. The weight was the weight listed on the invoice
 4. The quantity was the quantity listed on the invoice
 5. The quality of the food was okay? No broken plastic sacks, no torn packaging, no unfrozen frozen food...
- Did the purchaser check the price to make sure it was the price quoted?

Industry standards say that 40% of EXCESS food cost can be attributed to receiving issues.

The receiving process can easily be weak because of poor systems, carelessness, forgetfulness or even greed. These lead to huge losses and then HIGH food costs.

Suggestions to get you started:

1. Keep a record of the order: the product type, quantity and price quoted.
2. When picking up the delivery, put the invoice in the inventory folder



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3. If your driver hasn't left and you notice a problem, send the item back. The purchaser can call to get a replacement.
4. Some one should be designated to count the products verifying that the counts equal what is on the invoice and what was ordered.
5. Inspect for quality, condition and consistency with your standards and specifications.
6. Verify that the prices charged on the invoice agree with the prices quoted on the PO.

The companies you order from notice what you are doing or not doing and respond accordingly. Don't be a student business where the vendor thinks **"I can be sloppy because they are students and don't pay attention."**