



# Be Your Own Cost-saving Detective

## Find Ways to Save Money Every Day

By *Kim Hofmann, RD, LD*

There is no denying that your bottom line is under constant assault. You face rising food costs, regular budget cuts, participation challenges and new meal requirements, all chipping away at your financial resources. But you can counteract these forces if you carefully examine your operational practices to determine where your money is going.

### What Wastes Food Dollars

In school foodservice, your goal should be to maintain food costs, including the value of donated commodities, and labor costs (don't forget fringe benefits!) at no more than 80 percent of your revenue or income. To do this, you must control the key variables that can affect costs.

There are several areas in which foodservice organizations waste food dollars. Here are the primary culprits, along with some suggestions on how to offset them:

- 1. Overproduction** – When you miscalculate the number of meals you will serve, you will lose money. For instance, if you have 250 students enrolled, prepare 150 meals, but actually serve only 140, you will have 10 meals left over. At \$3.00 per meal, that's an extra \$30.00. Multiply that by 180 days per year, and you have just forfeited \$5,400. Multiply that by 10 schools, and you have a whopping \$54,000 that you could have put to better use elsewhere.
- 2. Theft** – Theft is the second main cause of wasted dollars. You need to have a system in place that tracks every item you receive and use. Keeping accurate and timely records, as well as taking ongoing product inventories is essential. Be certain that your storerooms, coolers, freezers and back doors are locked at all times--not just after hours. Limit who has access to the keys. Also, cameras are a great deterrent to theft.
- 3. Leftovers** – Schools that offer wider choices often end up with more leftovers. And wasted food means wasted money. If this is your problem, you need to develop better forecasting methods using accurate production records. Cooking in batches closer to serving time, means you'll be

less likely to overproduce. Try to find ways to use those leftovers by creating a completely new dish with them the next day.

- 4. Menus** – Creative menus are key to increased participation. However, you need to cost your menus out first to know whether you can afford them. Calculate the food you need for each meal, how much labor, and what skill level is required to produce it. Only then can you decide if you can afford that particular menu. Another way to save money is plan your menus so that you fully utilize your USDA food items.
- 5. Portion Control** – Portions that are too large mean food gets left on the plate. Portions that are too small mean unhappy customers go away unsatisfied. You want your recipe to yield what you originally planned. If a menu calls for five ounces of chicken salad, but staff serve six ounces, you've just given away an ounce of food. If chicken salad costs \$0.30 per ounce, and you make 200 sandwiches, you have just lost \$60.00 of income that day. Multiply that by 180 days, and you have \$10,800 less revenue.
- 6. Standardized Recipes** – When you don't standardize your recipes, you lose money in several ways. Staff may add extra ingredients, which costs you more. Nutrient content and quality consistency may be affected, which can lead to unhappy customers. A standardized recipe adds efficiency to any operation, because it should be the same no matter who prepares it.
- 7. Purchasing Practices** – Purchasing takes time, and a lot of effort. You have to do it efficiently for best results. If you over-purchase, you tie up money unnecessarily, have to finance that food, and store it, too. If you under-purchase, you will run short of supplies and have to make interim trips to a retail store. This raises your food costs, and consumes staff time, as well. Find primary vendors you can trust. This reduces time spent on ordering, earns you price breaks for volume purchases, and gives you access to special services they may offer. Or take part in group purchasing operations that can obtain lower prices through increased volume orders.

As your own cost-saving detective, you'll be amazed at the ready assets you can uncover through process efficiency and tight record management.



Kim Hofmann, RDN, LD, was a school foodservice director for 13 years, and a foodservice distributor sales representative for six years before she started her own consulting and motivational speaking business, *Get to the Point* ([www.gettothepoint.com](http://www.gettothepoint.com)). Her specialties are cost control and financial planning.