



Determine Your True Labor Costs
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To arrive at the number of meals to use in your labor cost/labor productivity calculation, use the following formula.

$$\begin{array}{r} 383 \text{ Actual meals} \\ + 92 \text{ Meal Equivalents} \\ \hline 475 \text{ Total meals} \end{array}$$

There are three other occasions when you need to calculate meal equivalents:

- If your school does catering, use the same formula to convert catering sales into meals.
- If your school serves breakfast, determine the breakfast meal equivalents by multiplying the number of breakfasts served by the conversion factor of 0.66. This provides a three-to-two ratio: three breakfasts equal two lunches.
- In the case of after-school snacks, use the conversion factor of 0.33: three snacks equal one lunch.

3. Determine meals per labor hour

Meals per labor hour (MPLH) is the primary productivity index used in schools. With this formula you can capture staffing, productivity, benchmarking and budgeting figures. The formula looks like this:

$$\text{Meals per Labor Hour} = \frac{\text{Number of Meals} + \text{Meal Equivalents}}{\text{Number of Paid Productive Labor Hours}}$$

Use the actual productive labor hours in your calculations. This includes hours paid for managers and foodservice staff, cashiers and substitute employees, but it does not include hours paid for sick, personal, holiday, or other leaves.

There are several factors that can affect MPLH, so keep this in mind when you use MPLH to benchmark with other schools. These factors include:

- How many serving lines you have
- The number of lunch periods you have, and when they are scheduled
- The type of operation you run, (e.g., satellite, central kitchen)
- The type of service you provide, (e.g., kiosk, self-serve, regular tray line)
- The number of choices you offer
- How much convenience food you use
- How experienced your staff are
- The complexity of your menus

Professional guidelines suggest that no more than 80 to 85 percent of the school nutrition program revenue should be spent on labor and food.¹ ABC's food and labor costs equal 95 percent of the school's revenue, which is 15 percent over guidelines.

While it takes a bit of time and effort to arrive at your true labor cost, in the long run, you will find that your time is well spent.

¹ www.nfsmi.org/documentlibraryfiles/PDF/20100223101950.pdf



After years as a school foodservice director, and a foodservice distributor sales representative, Kim Hofmann, RDN, LD, started her own consulting and motivational speaking business, Get to the Point. Her specialty is cost control and financial planning.

In With the New . . .

And an Earnest Farewell

Nothing stands still for long, not even with our Editorial Advisory Board. With this issue, we have the pleasure of welcoming a new member to the team, Krista Neal, and regrets that we have to say good-bye to another member, Kevin Ponce. However, one thing does not change, and that's our ongoing appreciation of the effort and contributions made by all our CN Editorial Advisory Board members.



Krista Neal, MS, RD, LD, SNS – Director of School Nutrition Services, Stillwater Public Schools, Oklahoma

Krista is in her fifth year as Director of School Nutrition Services at Stillwater Public Schools, where she has implemented a professional development program for the entire nutrition staff. Krista has extensive education and experience in the field of child nutrition. She has an SNS credential, and Bachelor's and Master's degrees in Nutritional Sciences from Oklahoma State University. We welcome Krista to our Board, and look forward to her many contributions.



Kevin Ponce, SNS – Child Nutrition Director, Oklahoma Public Schools, Oklahoma

Kevin has been an active member of the CN Editorial Advisory Board for more than two years, and has contributed many thoughtful articles to the *CN Executive Update*[®]. Kevin joined the ranks of school foodservice leadership after a twenty-one year career in the U.S. Air Force. We wish him great success as he moves on to his new responsibilities. Thank you, Kevin.

