

Eight Factors that impact Product Costs:

When we talk about product costs it is usually directed at only how much we pay for an ingredient (the ingredient invoice price) and yes price is important, but price alone only represents a little more than 10% of what the final overall cost will be for a menu item. There are actually eight additional factors that could impact the final cost of a menu item.

Specifications:

Selection, control and application of clearly defined purchasing specifications impact product cost.

Purchasing:

Purchasing procedures can definitely impact product cost. By using detailed specifications, you can maximize your purchasing power to gain competitive pricing of quality products at the lowest prices.

Receiving:

Receiving of products requires an accurate auditing procedure.

Storage:

The storage aspect requires knowledge of Food Safety, HACCP and FIFO procedures.

Menuatics:

Providing menus which exceed customer satisfaction targets is paramount.

Utilization/Recipes:

Controlling product utilization is a process that involves several management “tools” which are provided to production personnel.

Portion Control:

This is a condensed version of an article written by Jerry McVety, President, McVety & Associates, LLC. This article has appeared in several major trade magazines. To learn more about PCCS, how it works and how to best apply it at your operation, contact Jerry at 248-737-0800.