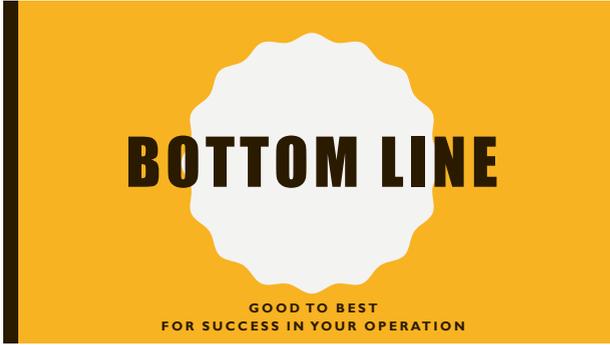


GOOD TO BEST



ARE YOU GOOD WITH YOUR BUDGET ?

- Good: You are able to discuss and articulate when you do not make budget and will try to avoid repeating in the future. If directed to, you can make improvements. You may not have seen it coming but your ready for it.
- You are ready to react to the needs and goals set forth.

GOOD TO BEST

CAN YOU BE BETTER ?

- Better: You are not only able to discuss plans for adjustment, but you are able and ready to follow direction to get it done.
- You knew this day would come and you're up for the challenge.

GOOD TO BEST

GOOD TO BEST

ARE YOU BEING THE BEST ?

- Best: You are always ready, looking ahead asking to lead and eager to implement. The plan has been done and you are ahead of the game.
- You do not have to react because you are proactive; you can say what people need to hear, not just what they want to hear.

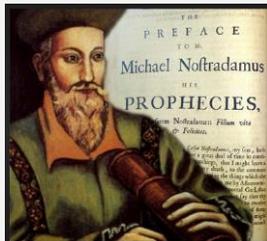
GOOD TO BEST

THE BEST HAVE...

- Fiscal responsibility and control.
- Systems and policies to support.
- Leadership to support staff.
- Work environment for all.
- Customer service to support service
- Compliance with regulatory agencies.

GOOD TO BEST

BEING AWARE OF THE FACTORS THAT HAVE AN EFFECT ON YOUR BUDGET AS WELL AS THE ONES THAT WILL IN THE FUTURE, CAN MAKE YOU THE BEST IN MEETING IT IN THE END



GOOD TO BEST

ZERO BASE

REVEALING THE UNKNOWN

FOOD -

- Patient or Resident food
- Revenue Generating Food: Café/Vending
- Non cash generating food: Transfers/Floor Supplies
- Internal Catering
- External Catering
- Other Food Provided

- Determine and predict what will be needed in terms of dollars by day, by week and annualize.
- Look at historical data and understand if the data is predictable and indicative of the future.
- Customer and Patient counts are critical.

GOOD TO BEST

PATIENT OR RESIDENT FOOD

- What is your operation preparing for facility wide?
- Are there any upcoming events to change the occupation such as renovation or conversion?
- What has happened historically by month.

GOOD TO BEST

GOOD TO BEST

BEST :PRODUCTION SYSTEM

- The system must be organized and maintained. It must include amounts to be made, room to record leftovers or shortages, reference to recipes, advanced prep and directions on pulling from the freezer.
- Use a computer to maximize your effectiveness.
- Keep records.
- Consider a recipe manager program, such as Master Cook.

GOOD TO BEST

RECIPES - BEST

- Accurate purchasing is impossible without the existence and use of standard recipes.
- Concerns require food service operators to know the exact ingredients and correct amount of nutrients in each serving of a menu item.
- Accuracy in menu laws requires that food service operators be able to tell guests about the type and amount of items in their recipes.
- Matching food used to cash sales is impossible without standard recipes.
- Accurate recipe costing and menu pricing is impossible without standard recipes.
- New employees can be trained faster and better with standard recipes.

GOOD TO BEST

REVENUE GENERATING FOOD: CAFÉ/VENDING

Forecasting includes predicting the total amount of revenue generated, guests served and the amount of money each guest will spend.

Advantages of Accurate Sales Forecasts:

- Accurate revenue estimates
- Improved ability to predict expenses
- Greater efficiency in scheduling needed workers
- Greater efficiency in menu item production schedules
- Better accuracy in food purchasing for immediate use
- Improved ability to maintain proper levels of perishable and nonperishable food inventories
- Improved budgeting ability
- Lower selling prices due to operational efficiencies
- Increased profit levels

GOOD TO BEST

INVENTORY TURNOVER

Inventory turnover refers to the number of times the total value of an operation's inventory has been purchased and replaced in an accounting period. Each time the cycle is completed, we are said to have "turned" the inventory.

$$\text{Cost of food consumed} = \frac{\text{Food inventory turnover}}{\text{Average inventory value}}$$

*High inventory turnovers accompanied by frequent product outages may indicate inventory levels are too low.

*Low inventory turnover rates and many slow moving inventory items may indicate the need to reduce inventory levels.

GOOD TO BEST

PURCHASING

- Are you part of a purchasing group ?
- Are you ordering products that have the negotiated pricing ?
- Are you meeting the volume incentive ?
- Is accounts payable meeting the payment terms ?
- Do you track your rebates and credit the department for them ?

GOOD TO BEST

WHEN YOU SHOP !

- Lose consistency.
- Waste time.
- Cannot be aware of price commitment from one week to the next.
- Create more checks and accounting work.
- Lose the method to the madness.
- Lose product familiarity.

GOOD TO BEST

ANALYSIS OF THE P&L STATEMENT

P & L analysis is a creative process and in general managers seeks to discover the following:

1. Sales/volume
2. Food expense
3. Beverage expense
4. Labor expense
5. Other controllable and non-controllable expense
6. Profits

GOOD TO BEST

REVENUE

- Explore your opportunities and set a goal.
- Set up automation for these opportunities such as pricing, menu and request form.
- Make sure you cover costs (the little things like spices, oil, chemicals, disposable).
- Make sure you understand if the opportunity is to make money or provide a subsidized service .

GOOD TO BEST

RETAIL

Is your retail set up for success?

- Impulse buying opportunities
- Pricing
- Are you setting up the special to compete against other menu items?
- Use of scales to control abuse
- Register/cash handling
- Tracking of peaks and valleys

GOOD TO BEST

GOOD TO BEST

SERVICES OFFERED

- Sometimes services offered are not realistic.
For example:
 - *Extend café hours.
 - *Additional choices.
 - *Free meals or food.
 - *Inappropriate costing.

GOOD TO BEST

THE BEST

WHEN LOOKING TO CUT COST, THE BEST CONSIDER HOW TO INCREASE REVENUE AND VALUE!!

LABOR

Controllable labor expense (sometimes referred to as **productive time**): Manager can schedule, add labor or cut labor. (This includes regular hours and overtime.)

Non-controllable labor expense (sometimes referred to as **non-productive time**): Taxes, benefits, etc. Note you have some control here, i.e. a safe work environment lowers workers compensation costs. (This includes vacation and sick time or PTO.)

GOOD TO BEST

GOOD TO BEST

FULL-TIME EQUIVALENT (FTE)

- FTE is determined by the amount of hours a full-time employee works. You can have 2 FTEs but 3 employees working it.
 - 700 hour/week scheduled
 - A workday is 8 hours x 5 days = 40 hours
 - To get the amount of FTE, divide 40 into 700, which equals 17.5 FTEs.
 - This refers to the full-time amount in hours, not in the amount of employees on your schedule.

GOOD TO BEST

BOTTOM LINE

- Know your hours daily and weekly.
- Find out what is in the weekly payroll number. Was holiday or vacation time driving it up ?
- Was this the month with 5 or 6 weeks of payroll ?
- Are high labor hours covered by special events or increased revenue ?

GOOD TO BEST

TURNOVER RATE

Number of employees separated ÷ Employee turnover rate
Number of employees in the workforce

35 employees separated ÷ 70% turnover rate
50 employees in the workforce

Number of employees involuntarily separated ÷ Involuntary employee turnover rate
Number of employees in the workforce

Number of employees voluntarily separated ÷ Voluntary employee turnover rate
Number of employees in the workforce

GOOD TO BEST

CONSIDER THIS...

Whether the separation is voluntary or involuntary, turnover rate is expensive. In both cases the organization will incur costs that are both actual and hidden.

- Actual costs: Vacancy advertising, training hours
- Hidden costs: Increased breakage, slow service, increased waste, poor customer service

GOOD TO BEST

PAPER/DISPOSABLES

- Are you using the right items for the correct application ?
- Does it have to be disposable or would it be better to buy something that will pay for itself over time ?

GOOD TO BEST

OTHER SUPPLIES, CHEMICALS AND SERVICES

- They are costs to you if not managed properly.

GOOD TO BEST

GOOD TO BEST

THE BEST

- Review your programs, make decisions if they are not working out or paying off.
- Revive them when you can, but be prepared to cut ties.
- Do your homework and justify the intentions !

GOOD TO BEST

BOTTOM LINE

ALWAYS CONSIDER LOSS PREVENTION A LIABILITY IF NOT MONITORED !

YOUR TIME IS MONEY !

- Use the technology out there.
- Computer program should save time.
- Everything should be done on computer.
- Calling a vendor to place an order is outdated.
- Use the internet.
- Network to solve problems.

GOOD TO BEST

YOUR TIME IS MONEY !

- Read trade magazines.
- Attend food shows with a goal in mind.
- Be aware of your surroundings [marketing and mechanizing of food].
- Try new things.
- Take what you like from this presentation and apply it !!!!!

GOOD TO BEST
