

# Contents

#### Preface xiii

# PART I Introduction to Food, Beverage, and Labor Controls 1

### **CHAPTER 1** Cost and Sales Concepts 3

Introduction 4
Cost Concepts 12
Sales Concepts 18
The Cost-to-Sales Ratio: Cost Percent 24
Chapter Essentials 33
Key Terms in This Chapter 33
Questions and Problems 34
Diskette Exercises 37

### **CHAPTER 2** The Control Process 43

Introduction 44
Control 44
The Control Process 64
Control Systems 65
Cost/Benefit Ratio 68
Chapter Essentials 70
Key Terms in This Chapter 70
Questions and Problems 71
Diskette Exercises 74

#### CHAPTER 3 Cost/Volume/Profit Relationships 77

Introduction 78

The Cost/Volume/Profit Equation 81

Variable Rate and Contribution Rate 85

Break-Even Point 86

Cost/Volume/Profit Calculations for the Grandview Bistro 87

Cost Control and the Cost/Volume/Profit Equation 93

Chapter Essentials 96

Key Terms in This Chapter 96

Questions and Problems 97

Diskette Exercises 99

### **PART II** Food Control 103

#### **CHAPTER 4** Food Purchasing and Receiving Control 105

Introduction 106

The Control Process—Purchasing and Receiving 107

Developing Standards and Standard Procedures for Purchasing 110

Standing Orders 131

Receiving Controls 131

Establishing Standard Procedures for Receiving 134

Chapter Essentials 141

Key Terms in This Chapter 142

Questions and Problems 143

Diskette Exercises 145

### CHAPTER 5 Food Storing and Issuing Control 147

Introduction 148

Storing Control: Establishing Standards and Standard Procedures

for Storing 148

Issuing Control: Establishing Standards and Standard Procedures

for Issuing 153

Food and Beverage Transfers 158

Chapter Essentials 163

Key Terms in This Chapter 163

Questions and Problems 164

Diskette Exercises 170

#### CHAPTER 6 Food Production Control I: Portions 173

Introduction 174
Establishing Standards and Standard Procedures 174
Calculating Standard Portion Costs 180
Advantages and Disadvantages of Standardized Yield 199
Using Yield Percentages 200
Chapter Essentials 202
Key Terms in This Chapter 202
Questions and Problems 203
Diskette Exercises 207

#### **CHAPTER 7** Food Production Control II: Quantities 209

Introduction 210
Establishing Standards and Standard Procedures 210
Determining Production Quantities 224
Control of Preportioned Entrées 234
A Word of Caution 236
Chapter Essentials 236
Key Terms in This Chapter 237
Questions and Problems 237
Diskette Exercises 238

# CHAPTER 8 Monitoring Foodservice Operations I: Monthly Inventory and Monthly Food Cost 239

Introduction 240
Monthly Inventory 241
Reports to Management 255
Inventory Turnover 259
Chapter Essentials 263
Key Terms in This Chapter 263
Questions and Problems 264
Diskette Exercises 267

# CHAPTER 9 Monitoring Foodservice Operations II: Daily Food Cost 269

Introduction 270
Determining Daily Food Cost 270

#### viii Contents

Book versus Actual Inventory Comparison 282 Chapter Essentials 286 Key Terms in This Chapter 286 Questions and Problems 286 Diskette Exercises 291

## CHAPTER 10 Monitoring Foodservice Operations III: Actual versus Standard Food Costs 293

Introduction 294
Determining Standard Cost 294
Comparing Actual and Standard Costs 294
Periodic Comparison 307
Chapter Essentials 311
Key Terms in This Chapter 311
Questions and Problems 311
Diskette Exercises 314

#### **CHAPTER 11 Menu Engineering and Analysis 315**

Introduction 316
Menu Engineering 316
Menu Analysis 323
Using 100 Percent of the Average for Number Sold 330
Chapter Essentials 331
Key Terms in This Chapter 331
Questions and Problems 331
Diskette Exercises 334

## **CHAPTER 12 Controlling Food Sales 335**

Introduction 336
The Goals of Sales Control 336
Optimizing Number of Customers 337
Maximizing Profit 345
Controlling Revenue 356
Revenue Control Using Manual Means 358
Revenue Control Using Computers 365
Chapter Essentials 368
Key Terms in This Chapter 368
Questions and Problems 368

## **PART III** Beverage Control 371

#### **CHAPTER 13 Beverage Purchasing Control 373**

Introduction 374
Control Process and Purchasing 374
Alcoholic Beverages 375
Nonalcoholic Beverages 382
Beverage Purchasing 382
Chapter Essentials 394
Key Terms in This Chapter 395
Questions and Problems 395
Diskette Exercises 397

### CHAPTER 14 Beverage Receiving, Storing, and Issuing Control 399

Introduction 400
Receiving 400
Storing 404
Issuing 412
Chapter Essentials 420
Key Terms in This Chapter 421
Questions and Problems 421
Diskette Exercises 422

## **CHAPTER 15 Beverage Production Control 423**

Introduction 424
Objectives of Beverage Production Control 424
Establishing Standards and Standard Procedures for Production 425
Chapter Essentials 446
Key Terms in This Chapter 446
Questions and Problems 446
Diskette Exercises 448

### **CHAPTER 16 Monitoring Beverage Operations 449**

Introduction 450 The Cost Approach 451

#### X Contents

The Liquid Measure Approach 465
The Sales Value Approach 466
Inventory Turnover 475
Chapter Essentials 478
Key Terms in This Chapter 478
Questions and Problems 479
Diskette Exercises 483

#### **CHAPTER 17 Beverage Sales Control 485**

Introduction 486
The Objectives of Beverage Sales Control 486
Guest Checks and Control 495
Chapter Essentials 500
Key Terms in This Chapter 501
Questions and Problems 501

## **PART IV Labor Control** 503

#### **CHAPTER 18 Labor Cost Considerations 505**

Introduction 506
Employee Compensation 506
Determinants of Total Labor Costs and Labor Cost Percents 509
Labor Cost Control 523
Chapter Essentials 525
Key Terms in This Chapter 525
Questions and Problems 525
Diskette Exercises 527

### **CHAPTER 19 Establishing Performance Standards 529**

Introduction 530
Establishing Performance Standards and Standard Procedures 530
Organizing the Enterprise 533
Preparing Job Descriptions 535
Scheduling Employees 541
Performance Standards Based on Test Period 559
Standard Staffing Requirements 561

Standard Work Hours 562
Standard Cost 563
Chapter Essentials 564
Key Terms in This Chapter 565
Questions and Problems 565
Diskette Exercises 567

#### **CHAPTER 20 Training Staff 569**

Introduction 570
A Definition of Training 570
The Purpose of Training 571
The Training Program 571
Centralized versus Localized Training 585
Training Manuals 586
Chapter Essentials 588
Key Terms in This Chapter 588
Questions and Problems 589
Diskette Exercises 590

## CHAPTER 21 Monitoring Performance and Taking Corrective Action 591

Introduction 592
Monitoring Performance 592
Taking Corrective Action to Address Discrepancy between Standards and Performance 602
Chapter Essentials 607
Key Terms in This Chapter 607
Questions and Problems 607

Afterword 609 Glossary 611 Index 629