

# ***10 Creative Ways to Reduce Costs in Your Restaurant***

## **1. Sell more of what you have**

This may be your best cost-cutting strategy of all. Selling rotates perishables quicker, makes advertising more effective, saves labor faster, and makes the guest happier. Selling doesn't cost. It pays!

## **2. Follow your recipes**

A driving force behind high food costs in the kitchen or behind the bar result from cooks or bartenders that choose to follow their own recipes or measure "by eye" instead of using the prescribed spoons, cups, scales or shot pourers. This creates inconsistent portions, and the guest experience also becomes inconsistent.

## **3. Tap your state for training cash**

Has your training budget already been slashed to a minimum? Inquire within your state's labor department for grant opportunities. Most have funds for training, which they use as a tool to recruit companies and retain jobs in their states. You may be able to secure a grant.

## **4. Add value to your job**

Contribute to your organization's bottom line by asking yourself this question regularly: "If this were my money instead of the company's, would I spend it this way?" Apply it to every expense and every item you consider for purchase.

## **5. Learn to manage a cost control goal**

No matter the expense, there are ways to drive it down. But there are ways to manage cost control efforts effectively:

- **Identify the largest cost-savings opportunity**

It makes little sense to marshal resources and attention toward a small payoff.

- **Focus your attention on the area**

Educate yourself on the most troublesome expense. Ask the person doing the best job in that area how he or she does it. Share that knowledge with your team.

- **Report the results frequently**

The shorter your reporting periods the quicker you'll see results.

- **Give it time**

Before moving to another priority, make sure progress has occurred on this one.

- **Empower your people**

Give employees whatever they need to succeed with your goal.

## **6. Reduce source to reduce waste**

An essential component in waste management that sometimes is the last to be considered is the most obvious: source reduction. If we reduce the amount of waste to begin with, it will lighten that which must be disposed. Some of the ways we can reduce waste also are more economical. They include:

- Ordering items in reusable tubs
- Purchasing condiments in bulk and refilling dispensers
- Switching to soda and beer dispensers rather than offering bottles and cans
- Using concentrated cleaning agents
- Buying in bulk dry foods that can be stored in ingredient bins
- Baling and recycling cardboard
- Recycling plastic bottles and aluminum cans

In almost every operation total waste could be reduced by some percentage. If environmental implications, the size of waste bills and the general hassle of dealing with garbage are any indication, it makes good sense to investigate those efforts and reduce overall waste.

## **7. Offer a commission for employee ideas**

Offer a 20% "Commission" to any employee for an idea they contribute that saves you money. Why not? Your employees talk about areas where you're wasting money or creating unsafe conditions in your business every day. Why not have them share the insight and reward them with 20% of the money you saved? Respond promptly to all suggestions and post the best ideas for everyone to see.

This helps eliminate multiple submissions of the same idea and shows everybody that you take their ideas seriously.

## **8. Lock up your assets**

Asset protection is one of the simplest ways to limit your vulnerability to loss and theft.

### **Place locks on all doors to storage areas and walk-in coolers**

Keep them secured at all times, even during service. In addition to storage areas, you should have the ability to lock up all service outlets at the end of each service.

### **Limit the number of keys in circulation**

Issue keys only to management. Such a policy limits access and makes employees responsible and accountable. Sometimes your employees are the least of your worries; in the off hours, these practices will keep goods safe from delivery, maintenance and cleaning crews.

## **9. Inventory your bar**

Having locks is not always enough. Be aware of your inventory status and movement:

- **Weekly and monthly inventories**

Regular inventories will not only assist you in maintaining proper par levels and value but also will alert you to possibilities of breakage, loss or theft.

- **Institute a system of requisitioning**

It should involve movement from each storage area to each individual outlet, including the kitchen. In order to account for all issues, require each requisition to be accompanied by the empty bottles that must be replaced. This procedure will limit the amount of assets in each outlet, and when requisitions are compared with sales data, you can see indications of over-pouring, spillage or giveaways.

This is a simplistic overview of these systems. Additional procedures and checks and balances, such as manager signatures, multiple requisition copies and transfer requisitions, should be instituted according to the size and complexity of your operation.

## **10. Choose the proper glassware**

When it comes to glassware, size definitely matters.

- **Choose glassware that will properly fit your drink recipes**

It should not only be attractive and durable, but also will maintain the integrity of the drink. Before committing to a glassware purchase, obtain samples and prepare the drinks in them to see how they look and if the size is appropriate. For example, if the glass is too big, bartenders may over-pour to make the glass look full, destroying your recipe cost plan.

- **Rocks glasses are notorious vessels for over-pouring**

Stick to the standard rocks pour and let the ice do the rest. Once the drink reaches the guest, it will fill out nicely.

- **Develop a glassware chart**

Identify the pour size, specific drinks, capacity and cost of each glass. This helpful tool will give the staff a better perspective and awareness.

- **Ideal sizes for standard glassware:**

martini, 6-ounce; rocks, 9-ounce; highball, 12-ounce; snifter, 12-ounce; pony/London dock, 6-ounce; beer, 14- or 16-ounce.

## **11. Play the “Price is Right”**

Increase your employee’s knowledge of everyday costs. At your next meeting (pre-shift or all-employee), display everyday workplace items are used or abused by employees, such as sugar packets, butter, crackers, silverware, napkins, plates, glasses, table tents, menus, an extra ounce of meat, and a handful of fries. Put these on a table in the front of the team with a card face down featuring the price of each item or portion. Employees in teams of two try to guess the right answers.