



Western Technical College

## 10317126 Food Purchasing & Cost Control

### Course Outcome Summary

#### Course Information

|                            |  |
|----------------------------|--|
| <b>Description</b>         | The concepts of food and beverage purchasing are studied with emphasis on sourcing, writing specifications and controlling costs. Emphasis is placed on methods used to solve mathematical problems that relate to food service operations. Topics covered include operations with decimals, percent's, weights and measures, recipe conversion, menu pricing, food costs, inventories, break even analysis and financial statements. Class will be held in a computer lab, utilizing purveyor software. |
| <b>Career Cluster</b>      | Hospitality and Tourism  |
| <b>Instructional Level</b> | Associate Degree Courses   |
| <b>Total Credits</b>       | 3  |
| <b>Total Hours</b>         | 72   |

#### Textbooks

*Food and Beverage Cost Control*. 7th Edition. Copyright 2020. Dopson, Lea R. Publisher: John Wiley & Sons, Inc. **ISBN-13**: 978-1-119-52499-1. Required.

*Food for Fifty (Custom)*. 13th Edition. Copyright 2011. Molt, Mary Publisher: Pearson. **ISBN-13**: 978-1-323-71436-2. Required.

#### Program Outcomes

1. Manage food service operations.
2. Plan menus.
3. Analyze food service financial information.
4. Relate food service operations to sustainability.

#### Course Competencies

1. Calculate the cost of a recipe.

Assessment Strategies

- 1.1. Performance
- 1.2. Demonstration
- 1.3. Written Objective Test (70% or higher)

#### Criteria

*You will know you are successful when*

- 1.1. you determine raw food cost.
- 1.2. you determine cost per portion.
- 1.3. you determine selling price.

#### Learning Objectives

- 1.a. Differentiate between weight and volume of a food product.
- 1.b. Review components of a standardized recipe.
- 1.c. Explain the steps in costing a recipe.
- 1.d. Use food weight and measure equivalents chart to convert amounts as indicated.

### **2. Maneuver computerized purveyor inventory system (TRACS) to determine unit cost of each food item on a standardized recipe.**

#### Assessment Strategies

- 2.1. Performance
- 2.2. Written Objective Test
- 2.3. Demonstration

#### Criteria

*You will know you are successful when*

- 2.1. you create a standardized recipe in the TRACS program.
- 2.2. you find food prices in TRACS.
- 2.3. you price a standardized recipe from TRACS data.

#### Learning Objectives

- 2.a. Locate food items in TRACS to determine price.
- 2.b. Break down unit price for pricing on a standardized recipe.
- 2.c. Input standardized recipe into the TRACS program.

### **3. Manage revenue and expense.**

#### Assessment Strategies

- 3.1. Skill Demonstration
- 3.2. Written Objective Test

#### Criteria

*You will know you are successful when*

- 3.1. you figure profit by following the formula.
- 3.2. you complete lab problems that express business expenses and profits as a percentage of revenue.
- 3.3. you determine how close actual performance is to budget.
- 3.4. you detail four food service expense categories.
- 3.5. you identify the problems with revenue and expenses.
- 3.6. you determine the causes of problems with revenue and expenses.
- 3.7. you take corrective actions with problems concerning revenue and expenses.

#### Learning Objectives

- 3.a. Apply formula used to determine business profits.
- 3.b. Express business expenses and profits as a percentage of revenue.
- 3.c. Compare actual operating results with budgeted operating results.
- 3.d. Detail food service expense categories: food, beverage, labor, and other expense.
- 3.e. Articulate steps to reduce costs.
- 3.f. Describe steps to increase revenues.

### **4. Explain sales forecasts.**

#### Assessment Strategies

- 4.1. Skill Demonstration
- 4.2. Written Objective Test

#### **Criteria**

*You will know you are successful when*

- 4.1. you estimate "how many guests will be served today".
- 4.2. you forecast future revenues, guest counts, and average sales per guest.
- 4.3. you list problems that will occur when managers consistently underestimate guest counts.
- 4.4. you identify specific difficulties that will result when managers consistently overestimate the number of guests served.
  
- 4.5. you complete lab problems that diagram forecasting of guests, revenue, and employees.

#### **Learning Objectives**

- 4.a. Diagram procedures to record current sales.
- 4.b. Calculate percentage increases or decreases in sales over time.
- 4.c. Recognize procedures to predict future sales.
- 4.d. Describe the advantages of accurate sales forecasts.
- 4.e. Discuss the importance of sales histories.
- 4.f. Identify how accurate sales forecasting affects employee scheduling.

### **5. Identify professional purchasing techniques.**

#### **Assessment Strategies**

- 5.1. Skill Demonstration
- 5.2. Written Objective Test

#### **Criteria**

*You will know you are successful when*

- 5.1. you describe a purchase order.
- 5.2. you recognize the role standardized recipes play in purchasing.
- 5.3. you explain how to choose a purveyor.
- 5.4. you use the popularity index formula to predict the number of menu items to be sold.
- 5.5. you adjust a standardized recipe using the factor and percentage methods.
- 5.6. you complete lab problems using food purchasing formulas.
- 5.7. you prepare a proper product specification sheet.

#### **Learning Objectives**

- 5.a. Explore sales histories and standardized recipes to determine the amount of food products to buy in anticipation of forecasted sales.
- 5.b. Explore sales histories to determine the amount of beverage products to buy in anticipation of forecasted sales.
- 5.c. Discuss how to purchase food products in a cost-effective manner.
- 5.d. Discuss how to purchase beverage products in a cost-effective manner.
- 5.e. Calculate how to adjust a standardized recipe.
- 5.f. Write a product specification sheet that includes eight specific criteria.

### **6. Investigate receiving protocol.**

#### **Assessment Strategies**

- 6.1. Skill Demonstration
- 6.2. Written Objective Test

#### **Criteria**

*You will know you are successful when*

- 6.1. you recognize that receiving personnel should be properly trained.
- 6.2. you discuss acceptance hours for deliveries.
- 6.3. you calculate the extended price of inventory.
- 6.4. you match purchase orders with delivery invoices.
- 6.5. you complete lab problems using the formula for extended price.

#### **Learning Objectives**

- 6.a. Identify receiving checkpoints.
- 6.b. Compute the extended price of an inventory.
- 6.c. Compare delivery invoices with purchase orders to determine possible errors.
- 6.d. Describe a credit memo.
- 6.e. Implement procedures for receiving food and beverage products.

## **7. Manage food inventories.**

### **Assessment Strategies**

- 7.1. Skill Demonstration
- 7.2. Written Objective Test

### **Criteria**

*You will know you are successful when*

- 7.1. you detail LIFO and FIFO storage systems.
- 7.2. you describe the factors used to determine the actual amount of products that should be kept in inventory.
- 7.3. you differentiate between physical and perpetual inventory methods.
- 7.4. you articulate the five areas of controlling food production costs.
- 7.5. you complete lab problems for ABC inventory systems, portion cost, monthly usage, and daily inventory sheets.
- 7.6. you identify inventory requisition forms.

### **Learning Objectives**

- 7.a. Implement an effective product storage system.
- 7.b. Implement an effective inventory system.
- 7.c. Determine proper inventory levels.
- 7.d. Describe product issuing and restocking.
- 7.e. Calculate a food production schedule sheet.
- 7.f. Identify controls for food production costs.

## **8. Manage food and beverage product costs.**

### **Assessment Strategies**

- 8.1. Skill Demonstration
- 8.2. Written Objective Test

### **Criteria**

*You will know you are successful when*

- 8.1. you calculate the cost of food and beverages sold using the formulas.
- 8.2. you estimate the daily cost of sales using a six-column form.
- 8.3. you calculate food cost percentages and cost per meal using the formulas.
- 8.4. you determine how much to purchase by following the formula for product yield percentage.
- 8.5. you recognize how to minimize product loss in the kitchen.
- 8.6. you complete all lab problems for monitoring food and beverage product costs.

### **Learning Objectives**

- 8.a. Calculate food and beverage costs.
- 8.b. Compare product costs achieved in an operation against the product costs the operation planned to achieve.
- 8.c. Apply strategies designed to reduce an operation's cost of sales and its cost of sales percentage.
- 8.d. Calculate food and beverage cost percentages.
- 8.e. Demonstrate the ability to follow food industry formulas.

## **9. Manage the cost of labor.**

### **Assessment Strategies**

- 9.1. Skill Demonstration
- 9.2. Written Objective Test

### **Criteria**

*You will know you are successful when*

- 9.1. you identify the factors that affect employee productivity.
- 9.2. you calculate labor cost by following the formula.
- 9.3. you calculate labor cost percentage by following the formula.
- 9.4. you complete lab problems on managing the cost of labor.
- 9.5. you can prepare an employee schedule used in a food service operation.
- 9.6. you estimate the daily cost of labor using a six-column form.

**Learning Objectives**

- 9.a. Define labor expense and other related costs.
- 9.b. Discuss measures for maintaining a productive work force.
- 9.c. Project current labor productivity.
- 9.d. Calculate payroll costs.
- 9.e. Explore procedures used in reducing labor related costs.
- 9.f. Detail approaches used in managing payroll costs.

**10. Manage other food service expenses.**

**Assessment Strategies**

- 10.1. Skill Demonstration
- 10.2. Written Objective Test

**Criteria**

*You will know you are successful when*

- 10.1. you calculate other expense percentage by following the formula.
- 10.2. you calculate other expense cost per guest by following the formula.
- 10.3. you differentiate between controllable and non-controllable other expenses.
- 10.4. you differentiate between fixed, variable, or mixed other expenses.
- 10.5. you complete lab problems on managing other expenses.

**Learning Objectives**

- 10.a. Identify expenses found in the food service industry.
- 10.b. Classify controllable and non-controllable expenses.
- 10.c. Classify fixed, variable, and mixed expenses.
- 10.d. Compute expense cost in terms of a percentage of sales.
- 10.e. Compute expense costs in terms of cost per guest.
- 10.f. Identify approaches used in controlling expenses.

**11. Interpret an income statement.**

**Assessment Strategies**

- 11.1. Skill Demonstration
- 11.2. Written Objective Test

**Criteria**

*You will know you are successful when*

- 11.1. you compute profit margin by following the formula.
- 11.2. you compute variance percentages by following the formula.
- 11.3. you extrapolate an income statement.
- 11.4. you write an income statement.
- 11.5. you complete lab problems about the income statement.

**Learning Objectives**

- 11.a. Interpret a facility's profitability using the income statement.
- 11.b. Interpret a facility's sales and expenses using the income statement.
- 11.c. Apply steps for computing sales measures.
- 11.d. Calculate percentage variances in all income statement categories.
- 11.e. Calculate profit margin.
- 11.f. Produce an income (P&L) statement in accordance with the Uniform System of Accounts for Restaurants (USAR).

**12. Explain menu analysis techniques.**

**Assessment Strategies**

- 12.1. Skill Demonstration
- 12.2. Written Objective Test

**Criteria**

*You will know you are successful when*

- 12.1. you detail how the sale of a particular menu item contributes to the overall success of an operation.
- 12.2. you compute a menu analysis worksheet.
- 12.3. you compute a break even analysis.
- 12.4. you calculate a food cost percentage and a contribution margin matrix.
- 12.5. you write a budget.
- 12.6. you complete lab problems concerning menu analysis.

**Learning Objectives**

- 12.a. Analyze a menu for profitability.
- 12.b. Prepare a cost/volume/profit (break-even) analysis.
- 12.c. Produce a budget.
- 12.d. Monitor performance to the budget.
- 12.e. Prepare a matrix analysis.
- 12.f. Prepare a goal value analysis.

**13. Explain ways of maintaining and improving the revenue control system.**

**Assessment Strategies**

- 13.1. Skill Demonstration
- 13.2. Written Objective Test

**Criteria**

*You will know you are successful when*

- 13.1. you list internal threats to revenue.
- 13.2. you list external threats to revenue.
- 13.3. you describe the five tasks involved in developing a revenue security system.
- 13.4. you solve revenue control systems.

**Learning Objectives**

- 13.a. Identify internal threats to revenue.
- 13.b. Identify external threats to revenue.
- 13.c. Determine countermeasures to combat internal and external theft.
- 13.d. Explain how to establish an effective revenue security system.

**14. Demonstrate the use of Microsoft Excel.**

**Assessment Strategies**

- 14.1. Performance
- 14.2. Skill Demonstration

**Criteria**

*You will know you are successful when*

- 14.1. you produce MS Excel spreadsheets.
- 14.2. you produce MS Excel spreadsheets with formulas in place.
- 14.3. you format all lab problems into MS Excel.

**Learning Objectives**

- 14.a. Construct a spreadsheet within MS Excel.
- 14.b. Create basic formulas within an MS Excel spreadsheet.
- 14.c. Demonstrate how to alphabetically sort a list.
- 14.d. Perform lab problems using MS Excel.

**15. Manage food and beverage pricing.**

**Assessment Strategies**

- 15.1. Skill Demonstration
- 15.2. Written Objective Test

## Criteria

*You will know you are successful when*

- 15.1. you differentiate between standard menus, daily menus, and cycle menus.
- 15.2. you discuss factors that influence menu pricing.
- 15.3. you calculate a pricing-factor table based on a desired product cost percentage.
- 15.4. you manage food and beverage pricing.
- 15.5. you calculate contribution margin and selling price by following the formulas.
- 15.6. you discuss how price blending can achieve an overall favorable product cost percentage.

## Learning Objectives

- 15.a. Choose the menu format for a specific food service operation.
- 15.b. Identify the variables to be considered when establishing menu prices.
- 15.c. Assign menu prices to menu items based on the items' costs, popularity, and profitability.
- 15.d. Examine price blending.
- 15.e. Calculate product contribution margin.
- 15.f. Investigate special pricing situations.