Learning Objectives

- Participants will learn how to measure and assess student preferences by using a variety of age appropriate assessment tools.

- Participants will learn how to conduct and evaluate a Meals Per Labor Hours analysis to determine appropriate staffing levels by kitchen facility.

- Participants will learn how to calculate and evaluate the contribution margin, sales volume & food cost of a 1 week cycle menu using a Menu Engineering spreadsheet.
**MENU AS A COST DRIVER**

*Menus directly drive these costs...*

- Food
- Labor
- Equipment
IS MENU PLANNING REALLY A SCIENCE?

- The word **science** comes from the Latin "scientia," which means **knowledge**.

- Science is a **system of acquiring knowledge** through “observation” and “experimentation” to describe & explain natural phenomena.
TWO QUESTIONS ......

- What *natural phenomena* have occurred in your program over the past two years as a result of the menu changes you’ve made?

- What *knowledge* have you gained through the *observation* and *experimentation* of these natural phenomena?
EVALUATING CRITICAL FACTORS FOR COST EFFECTIVE MENUS

- External: culture
  - food trends
  - seasonality

- Internal: Student Preferences
  - Staffing
  - Equipment & Facilities
  - Food Budget
  - USDA Foods
  - Meal Pattern Requirements
METHODS FOR CREATING COST EFFECTIVE MENUS

1. Measure & assess student preferences to build menus that maximize student participation.

2. Evaluate Meals Per Labor Hour (MPLH) to determine cost effective kitchen staffing levels.

3. Calculate & Evaluate Food Cost (FC), Contribution Margin (CM), and Sales Volume to determine the most cost effective menus.
**Measuring Student Preferences**

- **Important and Required** - so how do you do it?

- **Product testing** is an effective way to determine customer preferences. Brand names should not be used during student testing as to not influence the outcome of student responses.

- **Student / Parent Surveys**
  
  different methods can be used for each grade level.

  (paper/pencil, Survey Monkey, electronic query)

- **Food Show for Students & Parents**

- **Analyze Sales & Participation Data**: *the numbers don’t lie!*
STUDENT PREFERENCES & CYCLE MENUS

- Cycle Menus blend student preferences with cost efficient menu items to optimize participation while controlling costs.

- Cycle menus deliver the same quality and consistency to students each time. This helps to build trust with your customers and provides the framework for student expectations.

- Be sure to include special promotions in the menu mix to maintain interest and excitement in your program!
Soliciting Student Feedback at the Point of Service

"Would you like bread with your water?"
“As goes the menu ……
So goes your food costs

- Cycle menus are a standardized template for meeting New Meal Pattern requirements

- Costing out Cycle Menus is essential for meeting budgeted food costs

- Commodity Entitlement Dollars are designed to account for 12% of your total food budget however be wise about the “true value” of USDA Foods.

True Value of products made with USDA Commodities =

Value of USDA donated food + Distributer Fee + Processing Costs + Storage & Handling Fees
“AS GOES THE MENU…….
SO GOES YOUR LABOR”

Use MPLH to benchmark kitchen labor against the total number of meals served

Lunch Meals + Meal Equivalents (ME) = Total Meals Served

Ala Carte / $3.00 = 1 ME
Breakfast/ 1 ½ Breakfast Meals = 1 ME
After School Snack / 3 Snacks = 1 ME
EXAMPLE MPLH COST ANALYSIS

- Total Lunch Meals + Total Meal Equivalents (ME) = Total Meals Served

Example:
Ala Carte Revenue = $12,000 / 3 = 4,000 ME
+Breakfast = 5,000 breakfasts x.66 = 3,300 ME
+After School Snack = 800 snacks/3 = 266 ME
+Total lunches Served = 10,000 meals

Total Meal Units 17,566
Average Daily Meal Units 878
(based on 20 serving days)
EXAMPLE OF BENCHMARKING LABOR COSTS

High School Labor Hours

- 3 cooks x 7 hrs./day = 21 hrs
- 7 cashiers x 4 hrs./day = 28 hrs
- 3 helpers x 3 hrs./day = 9 hrs
- 1 manager x 8 hrs./day = 8 hrs

66 hrs / per day

878 Average Daily Meals / 66 hrs. = 13.3 MPLH
# Onsite Production Site by Meal Equivalents

<table>
<thead>
<tr>
<th>Meal Equivalents</th>
<th>Low</th>
<th>High</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 100</td>
<td>1.6</td>
<td>37.4</td>
<td>14.5</td>
</tr>
<tr>
<td>101 – 150</td>
<td>5.7</td>
<td>26.2</td>
<td>12.6</td>
</tr>
<tr>
<td>151 – 200</td>
<td>10.1</td>
<td>13.4</td>
<td>11.8</td>
</tr>
<tr>
<td>201 – 250</td>
<td>10.7</td>
<td>17.8</td>
<td>14.4</td>
</tr>
<tr>
<td>251 – 300</td>
<td>9.4</td>
<td>19.0</td>
<td>14.8</td>
</tr>
<tr>
<td>301 – 400</td>
<td>6.2</td>
<td>47.7</td>
<td>15.9</td>
</tr>
<tr>
<td>401 – 500</td>
<td>10.0</td>
<td>41.4</td>
<td>19.4</td>
</tr>
<tr>
<td>501 – 600</td>
<td>8.9</td>
<td>33.1</td>
<td>18.1</td>
</tr>
<tr>
<td>601 – 700</td>
<td>10.0</td>
<td>29.6</td>
<td>17.1</td>
</tr>
<tr>
<td>701 – 800</td>
<td>4.8</td>
<td>23.1</td>
<td>16.9</td>
</tr>
<tr>
<td><strong>801 – 900</strong></td>
<td><strong>8.6</strong></td>
<td><strong>22.2</strong></td>
<td><strong>15.7</strong></td>
</tr>
<tr>
<td>901 up</td>
<td>5.4</td>
<td>42.7</td>
<td>18.6</td>
</tr>
<tr>
<td>Mean for all sites</td>
<td>1.6</td>
<td>47.7</td>
<td>17.1</td>
</tr>
</tbody>
</table>
CHECKLIST FOR SUCCESSFUL MENU PLANNING

1. Assessed current food trends, culture & availability of seasonal foods.
2. Measured Student Preferences by conducting surveys and student tasting events to get feedback.
3. Evaluated your labor with a MPLH analysis of your program by comparing kitchen labor hours to meals produced by building.
4. Implemented Cycle Menu & Measured Food Costs against budgeted food cost
5. Incorporated USDA foods on your menu each day
But wait.......... There’s more!
Analyzing menus using Menu Engineering

What is menu engineering? .................

Menu engineering is a menu analysis technique developed by Michael L Kasavana and Donald L. Smith in 1982. **Menu Engineering** is an interdisciplinary field of study devoted to the deliberate and strategic construction of menus in an effort to maximize profits.

It basically helps you figure out the **Sales Volume** and **Profitability** of each menu. This information helps operators create a cost effective menu.
### Evaluating a One Week Cycle Menu using a Menu Engineering Worksheet

<table>
<thead>
<tr>
<th>Breakfast</th>
<th>Lunch</th>
<th>Dinner</th>
<th>Snack</th>
<th>Dessert</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salisbury Steak w/ Mashed Potatoes or Mini Corn Dogs or Hot Dog on Bun</td>
<td>Vegetable &amp; Fruit Bar or Breaded Chicken Patty on A Bun</td>
<td>Seasoned Corn or BBQ Baked beans or Fresh Orange Slices or Breaded Chicken Patty on A Bun</td>
<td>Tossed Romaine Salads or Stuffed Crust Cheese or Pepperoni Pizza Tossed Romaine Vegetable &amp; Fruit Bar or Fresh Apple Milk or Bagel, Yogurt &amp; Cheese Lunch</td>
<td>Stuffed Crust Cheese or Pepperoni Pizza Tossed Romaine Vegetable &amp; Fruit Bar or Fresh Apple Milk or Bagel, Yogurt &amp; Cheese Lunch</td>
</tr>
<tr>
<td>Menu Item</td>
<td>Number Sold</td>
<td>Menu Mix %</td>
<td>Food Cost $</td>
<td>Cost %</td>
</tr>
<tr>
<td>---------------------------</td>
<td>-------------</td>
<td>------------</td>
<td>-------------</td>
<td>--------</td>
</tr>
<tr>
<td>Salisbury Steak w/ Roll</td>
<td>590</td>
<td>10%</td>
<td>$1.17</td>
<td>46%</td>
</tr>
<tr>
<td>Mini Corn Dogs</td>
<td>780</td>
<td>13%</td>
<td>$1.31</td>
<td>52%</td>
</tr>
<tr>
<td>Popcorn Chicken w/ Roll</td>
<td>1149</td>
<td>19%</td>
<td>$1.46</td>
<td>58%</td>
</tr>
<tr>
<td>Pepperoni Pizza</td>
<td>544</td>
<td>9%</td>
<td>$1.59</td>
<td>63%</td>
</tr>
<tr>
<td>Cheese Stuffed Breadstick</td>
<td>775</td>
<td>13%</td>
<td>$1.22</td>
<td>48%</td>
</tr>
<tr>
<td>Hot Dog on Bun</td>
<td>544</td>
<td>9%</td>
<td>$1.17</td>
<td>46%</td>
</tr>
<tr>
<td>Chicken Patty on Bun</td>
<td>321</td>
<td>5%</td>
<td>$1.37</td>
<td>54%</td>
</tr>
<tr>
<td>Hamburger on Bun</td>
<td>158</td>
<td>3%</td>
<td>$1.36</td>
<td>54%</td>
</tr>
<tr>
<td>Bagel, Yogurt and Cheese</td>
<td>751</td>
<td>13%</td>
<td>$1.32</td>
<td>52%</td>
</tr>
<tr>
<td>Chef's Inspiration</td>
<td>395</td>
<td>7%</td>
<td>$1.35</td>
<td>54%</td>
</tr>
</tbody>
</table>

*Total meals sold*  
6007 / 10 x 70% = 420

$15,137 $1.21 $7,121.84
What does this all mean?

- **STARS** are both Popular and Profitable - Keep!

- **PLOW HORSES** are Popular but not as Profitable as Stars. So, menu the most profitable brand that has been accepted by students.

- **PUZZLES** are Profitable but not very Popular. Try to increase sales by incorporating “Puzzles” on theme days or special promotions.

- **DOGS** are both Unprofitable and Unpopular. Take off menu & replace with new menu item!
THANK YOU AND QUESTIONS........
REFERENCES


Evaluate this session **online**.

Visit **onthego.schoolnutrition.org** on your cell phone’s browser.

Click the “Evaluate Your Sessions” link.

**THANK YOU!**