CHAPTER 30: FOOD AND BEVERAGE STANDARDS

Developing standards (levels of expected performance) is part of the process of controlling food and beverage costs. The usefulness of control information can be increased by establishing standards for each revenue center within the Food and Beverage operation. For example, instead of computing a standard food cost that covers all outlets, a hotel might establish separate standards cost levels for its coffee shop, fine dining restaurant and banquet facility. The advantage of this alternative is that each outlet may be evaluated separately and problem areas easily identified, based on its own set of anticipated costs.

As a standard becomes more specific, more time is required to develop and monitor it. The longer the time needed to collect information on which to base the standard (and measure the actual results), the less likelihood that practical managers will take the time to do it. In addition, the more complex the development of standard costs becomes, the more likely the task will be met with resistance by those who must collect the information.

Therefore, an ideal control system must strike a balance between the time and effort spent developing it and the usefulness of the results the system provides. The principles for establishing standards are the same regardless of whether the property is commercial or institutional, small or large, fast food or fine dining, hotel or restaurant. Systems for developing food and beverage standards must begin with the menu. It establishes which food and beverage items it will serve. The menu is the most basic and important control tool. Once the menu is created, five standard cost tools can be developed:

1. Standard Purchase Specifications
2. Standard Recipes
3. Standard Yields
4. Standard Portion Sizes
5. Standard Portion Costs

STANDARD PURCHASE SPECIFICATIONS

A purchase specification is a concise description of the quality, size, weight, count and other factors needed to describe a desired item. The specified factors should be described in sufficient detail to properly guide the company's supplier and receiving personnel in the delivery and receipt of the products. Management should establish standard purchase specification based on menu requirements and operations merchandising and pricing policies. Once developed, standard specifications should be given to those responsible for purchasing, as well as to the suppliers and this way all those involved in the purchase cycle are made aware of the required standard of quality desired. Besides making clear what is required to all concerned, SPS also has other advantages.

1. Fewer products may be required. Two different sizes of shrimp could eliminated and one standard size used for a shrimp salad and a shrimp curry.
2. Reduced purchase costs may be possible. Purchase specification based on the needs of the menu will keep the company from purchasing higher quality products than it needs for its purposes. Firm, Red, Ripe tomatoes are good for a salad but a cheaper variety of probably slightly texture would be good enough for a soup or a tomato based Indian gravy.
3. If purchase specifications are clearly mentioned, more than one supplier will quote for the order making the business more competitive.

The development and use of standard purchase specifications involves time and effort. However, considering the many advantages that purchase specifications offer relative to the few disadvantages, they are clearly a critical standard cost control tool. Carefully developed and rigidly enforced specifications help the operation ensure that the right quality product is consistently available for production and service. Remember, however, that standard purchase specifications call for effective receiving and control procedures to be effective.

STANDARD RECIPES

A standard recipe is a formula for producing a food or beverage item. It provides a summary of the ingredients, the required quantity of each, specific preparations, procedures, portion sizes (and portioning equipment – like teaspoon/ladle/scoop) and any other information required to prepare the item. The advantage of standard recipes is that regardless of who prepares the item, or when it is prepared, the product will always look, cost and taste the same. The consistency in operations provided by the standard recipe is at the heart of all control systems.

There are several other reasons to use standard recipes in addition to the advantages of consistency in appearance, cost and taste.

1. When you know that the standard recipe will yield and certain number of portions, it is less likely that too few or too many portions will be produced. You can estimate the number of portions required and adjust the standard recipe to yield the number of portions required.
2. Since standard recipes indicate needed equipment and required production times, managers/chefs can more effectively schedule food production employees and necessary equipment.
3. Less supervision is required since the standard recipe will tell the employee the quantity and procedure for each item. Guess work is eliminated. Of course, the chef /manager should routinely and randomly evaluate the quality of the item produced and take corrective action if necessary.
4. If a particular chef/cook is ill or has not reported to work for whatever reason, a product of appropriate quality can be produced if a standard recipe is available. Granted, inexperienced employees will be slow and may commit mistakes, but if the recipe resides only in the head of the absent employee, instead of on a standard recipe chart, the chef will be in an even more awkward position.

Using a standard recipe does not require that the recipe be physically in the work area during production time. ***A standard recipe must always be followed and must always be available, but it does not always need to be read before preparation***. Sometime, a picture or photograph on display will do.

STANDARD YIELDS

The term yield means the net weight or volume of a food item after it has been processed and made ready for sale to the guest. The difference between the raw or ***As purchased (AP)*** weight and the prepared or ***edible portion (EP***) weight is termed a production loss. For example, if a 2.5kg fillet of beef is purchased and, after trimming and braising, 2 kg remain, there is a ***production loss*** of 500 gm.

In general, there are three steps in the production process. The first is ***pre preparation***, which includes processes like trimming of meat, filleting of fish, peeling of vegetables. The second step is ***preparation*** (or cooking). The third step is ***holding*** and could include portioning (including carving a large joint of meat). A loss can occur in any one of these steps.

A standard yield results when an item is produced according to established standard production procedures outlined in the standard recipe. It serves as the base against which to compare actual yields. For example, if the standard purchase specifications are adhered to, and a meat item is properly trimmed, cooked and portioned, the actual yield should be closely approximate to the standard yield.

<u>Determining Standard Yield</u>

Standard yields are determined by conducting a yield test. Ideally, everything that does not have a 100% yield should be tested. Yield testing could also be carried out to find out trimming losses especially for vegetables. Normally, yield tests are carried out on high cost products and low cost products that are used in large volumes (potatoes)

The yield from a product depends on several factors, including the grade, original weight and pre preparation and cooking methods. Therefore it is advisable to compare products and yields from different suppliers. The yield test is often referred to a Butchers Test as this was originally applied to meat produce.

Cost per Servable KG

After trimming and cooking loss is calculated and the edible (servable) portion weight is determined., a cost per servable KG (or gm or pound) can be determined. To find the cost per servable KG, first establish the yield percentage. The yield percentage is also called the ***yield factor.*** This is the ratio of servable to original weight.

$$\frac{\text{Servable weight}}{\text{Original weight}} \times 100 = \text{ratio of servable weight to original weight}$$

The cost per servable KG is found by dividing the AP price by the yield %

$$\frac{\text{AP Price}}{\text{Yield \%}} = \text{cost per servable KG}$$

The cost per servable Kg is the information needed to calculate standard portion costs.
One can make a similar calculation to determine the total AP quantity needed once the yield % is known.

$$\frac{\text{Quantity needed} \times \text{edible portion}}{\text{Yield \%}} = \text{quantity to purchase/prepare}$$

The Cost Factor

The ***cost factor*** is a constant value that_may be used to convert new AP price into a revised cost when purchase prices change. The cost factor assumes that purchase specifications, recipes and yield remain the same.

$$\frac{\text{Cost per servable KG}}{\text{AP Price}} = \text{cost factor}$$

Adjusting Standard Recipe Yields

The yield from a standard recipe can easily be increased or decreased by using an ***adjustment factor***. This is found by dividing the desired yoeld by the original yield. For example, if a recipe yields 100 portions and you want 225 portions of the same size the adjustment factor would be

$$\frac{\text{Desired yield}}{\text{Original yield}} = \text{adjustment factor} \qquad \frac{\text{225 portions}}{\text{100 portions}} = 2.25$$

Using the adjustment factor can provide very accurate ingredient quantities when the total volume of a recipe's yield does not change significantly. However, the use of the adjustment factor for a recipe in which the yield changes substantially must be done carefully. It is unlikely that a recipe yielding 10 portions od a specific size can be merely multiplied by the adjustment factor of 100 to yield 1000 portions of the same size. In such cases, it is best to start with the adjustment factor and then modify it carefully until the recipe yields the desired volume..

STANDARD PORTION SIZES

Every recipe must indicate a standard portion size. This is the fourth standard cost control tool for ensuring standard in consistency in operations.

Because a menu item will be the same size each time it is portioned, no guest will get a larger or smaller portion when he orders the item. The benefit is two fold: portion cost for the same food or beverage item will remain consistent, and the guest will always receive the same value for the money they spend.

Value is the relationship between price and quality. Basing the selling price of the food or beverage item, at least in part, on its product cost will help to establish a fair selling price or value from the guests perspective. Of course, other factors will also be involved (overheads, labor). On one occasion, a guest may receive a large portion – which he considers great value. When he returns a second time later, he receives a smaller portion for the same price. – a lesser value and a greater disappointment. Consistency, in terms of value perceived by guests, is a primary advantage of standard portion sizes.

Portion Control Tools must be available and used every time a recipe is prepared. These include getting ingredients weighed and measured. Use ladles/ scoops/spoons to get the correct quantity. For beverages, there are shot glasses, jiggers and automated beverage-dispensing equipment. Employees must know about portion sizes if they are expected to follow them. Required portions sizes required from a food item must be posted in the production area of the kitchen. In addition, some operations use pictures of each item. The employee can see how the item should look and how it is to be placed on the plate.

STANDARD PORTION COSTS

After standard recipes and standard portion sizes have been developed, a standard portion cost can be calculated. A standard portion cost is the cost of preparing and serving one portion of food according to the standard recipe. Today, many food service operators use computerized pre costing equipment to keep the per-portion costs of the standard recipe current.. For example, if the cost of the Beef Fillet increases, the new cost is entered into the system and all dishes using Beef Fillet will automatically be updated

with the new cost. A change in the portion size will also affect the standard portion cost.
Anytime the portion size is changed, a new standard portion cot must be calculated.

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