

Sizzlin' News

Don't Call, Click For Takeout

Those who shop, search for jobs, find dates and book vacations on the Internet now can use their computers for one more task - ordering takeout. More restaurants than ever, including national chains Chipotle Mexican Grill, Papa John's Pizza, Applebee's Neighborhood Grill & Bar and Subway, offer online ordering as the latest in timesaving perks for customers.

"We use our computers for almost everything, so why not for ordering lunch?" said Jim Adams, marketing director of Chipotle Mexican Grill, a 460-restaurant chain that launched online ordering in December. "It just seemed logical to develop a system for our customers to order online instead of calling or faxing in an order."



According to industry experts, online ordering is catching on quickly. The National Restaurant Association reports that 11 percent of U.S. restaurant consumers ordered online in 2005. At Chipotle, the system was an instant hit, with about 13,000 orders placed nationwide from Dec. 15 to Jan. 11.




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Customers such as Tricia Rosengarten, faculty-training manager for the University of Phoenix, orders online to save time during peak lunch and dinner hours. "I save at least 15 to 20 minutes by ordering from my computer, and when you only have an hour for lunch, that's a big savings. I love being able to skip to the front of the line to pay and pick up," she said.

Like other restaurant ordering systems, Chipotle's new Don't Stand in Line (DSL) uses flash technology that allows users to custom order burritos, tacos, salads and more from its website at www.chipotle.com. DSL offers a choice of ingredients, exactly as at the restaurant. Pinto or black beans? Fresh guacamole or sour cream?

The customer registers with a nickname and picks up the order directly from the cashier at the designated time. "The website actually makes ordering a burrito kind of fun," Rosengarten said. Industry experts predict that online ordering eventually will be the norm.

"With popular chains like Chipotle getting into online ordering, you can expect others to quickly follow. Restaurants will do anything to reduce the wait time for customers, and ordering from the computer is a smart way they can do this," said Eric Hahn, founder of restaurant edge.com, a Michigan-based national restaurant research company.

Along with helping customers bypass ordering lines, the service saves restaurants staff time. It's quicker to take orders off the computer than the phone or fax machine. 

Source: Food Institute Report



Kitchen Calculations

Determining cost is one of the most important elements of budgeting and predicting. Most of the food items you receive from suppliers are packed and priced using wholesale bulk sizes—crates, cases, bags or cartons. However, in kitchen production, the quantity in the package may be used for several different menu items.

In order to allocate the proper prices to the recipes you're preparing, it's necessary to convert the price of the purchase package into unit prices—price per pound, each, dozen, quart, etc. Applying the cost-per-unit formula is integral to a successful operation. If you don't calculate these formulas, you won't be able to properly estimate the cost of menu items in your kitchen. And ultimately, you won't be able to arrive at a selling price that will offer you a reasonable profit.

The following formulas and tips will assist you and your staff in determining the total costs of the dishes you serve.

Determining Food Cost Control

The price paid for goods is the as-purchased cost. Products, however, are purchased in many units. Therefore, it's necessary to determine the cost per unit (per smaller unit contained in the larger unit) to achieve the cost of an ingredient in a particular recipe.

Cost per unit: As-purchased cost / number of units

Example: The cost of a case of canned Italian plum tomatoes is \$18.78 and there are 6 cans in the case. The price per can is as follows:

$$\text{Cost per portion/Selling Price: } \$18.78 / 6 = \$3.13$$

From this information, you can calculate the price per can (per item). And, with the two values, price per can and the amount needed for the recipe can be calculated.

Example: Cost per unit

Supplier 1: Cost on a case of canned chickpeas is \$9.29 and there are 16 (16 ounce) cans in the case. The price per can is as follows:

$$\text{Cost per portion/selling price: } \$9.29 / 16 = \$0.58$$

Supplier 2: Cost on a case of canned chickpeas is \$12.29 and there are 24 (16 ounce) cans in the case. The price per can is as follows:

$$\text{Cost per portion/selling price: } \$12.29 / 24 = \$0.51$$

It may not have been apparent at first, but as you can see, quality being equal, there is a cost-savings when dealing with supplier No. 2 on your chickpea orders. Depending upon your usage of this item, this could translate into a significant savings over the course of one year.

Total cost: Total cost in the foodservice industry is based on how much of a product is used for a particular recipe, not on what is purchased.



Calculating as-purchased cost: After the cost per unit has been calculated, the total cost formula needs to be applied to determine how much an ingredient in a particular recipe is costing your operation.

As-purchased cost = Number of units x cost per unit

Example: Your operation's Chicken Tarragon recipe calls for 1 1/2 teaspoons of dried tarragon leaves. One tablespoon of tarragon weighs .08 ounces. Your operation purchases tarragon in 4-ounce jars for \$5.77 per jar. How much will the tarragon cost for this particular recipe? To determine the cost of the tarragon, use the "7 Steps of Calculating As-Purchased Cost."

1. Determine the quantity you are costing: You need to determine the cost of 1 1/2 teaspoons of tarragon
2. Identify the given as-purchased cost information: The purchase price of a jar of tarragon is \$5.77
3. Select the unit to be used for the as-purchased cost and the quantity (must be the same incremental unit): Both the conversion and the cost are in ounces; ounces will be used to determine the cost
4. Perform the calculations necessary to convert the as-purchased cost and/or quantity to the unit chosen in step 3:
Use the following formulas to determine the quantity and as-purchased cost:


Quantity:

$$1.5 \text{ tsp} \times 1 \text{ tbsp} = 1.5 / 3 \text{ or } .5 \text{ tbsp}$$
$$1 \times 3 \text{ tsp}$$
$$.5 \text{ tbsp} \times .08 \text{ ounces} = .04 \text{ ounces}$$
$$1 \times 1 \text{ tbsp}$$

As-purchased cost: As-purchased cost / number of units
 $\$5.77 / 4 \text{ ounces} = \1.4425 per ounce

5. Substitute these numbers into the as-purchased cost formula and multiply to find the as-purchased cost:
Use the following formula to find the total cost

Total cost: Number of units / cost per unit
 $.04 \text{ ounces} \times \$1.4425 \text{ per ounce} = \$.0577$

6. Round to the next higher increment:
 $\$.0577 \text{ rounds up to } \$.06$
7. Check to insure that your answer is reasonable. 



Source: *Restaurant Business Weekly eNews*