

MENU Engineering

Your path to more profit

While menu engineering might sound technical, it's not.

It's simply part art and part science – with a dash of good business sense. By understanding it, you can identify and highlight the dishes that make the most money for your business.

By following these steps you can create a menu that's appealing to your diners and to your accountant.

Step 1: Food Cost

You probably already know the food cost of each dish on your menu. If you don't, get costing right away! Make sure you include the cost of every ingredient (with delivery charges etc) from the main protein down to spices, cooking oil and garnishes. You can then calculate the food cost as a percentage of the menu price.

Step 2: Contribution Margin

It's important to know your food cost percentage, but you can't bank a percentage! So take a close look at the actual dollars your dish contributes to the bottom line. For example, a \$20 steak that costs you \$10 is contributing more to your margin than a \$10 pizza that costs \$3, even though the food cost percentage is higher.

Step 3: Popularity

Next you need to know which are your most popular menu items. The sales report generated by your point of sale system will show the number of times a dish was sold in a certain period.

Step 4: Graph it

Now it's time for the fun part! Create a simple graph to plot each dish, using contribution margin or profitability on the X-axis, and the quantity sold on the Y-axis.

You can then categorise dishes as either a star, puzzle, dog or plough horse to rate their profitability and menu appeal as set out in the graph.



MUSHROOMS:

YOUR PROFIT-MAKING POWERHOUSE

Diners looking at your menu are hungry and ready to buy.

So ensure you include profit boosting mushroom dishes which deliver maximum flavour – and maximum profits.

Mushrooms are known as the 'meat' of the vegetable world, making them perfect for vegan, vegetarian and flexitarian dishes, while also pairing beautifully with chicken, beef, lamb, pork or game for meat lovers.

MUSHROOM FACTS

Mushrooms produce little, to no food waste and their easy preparation saves on labour costs for a healthy bottom line.

They last well – so for optimal storage, purchase in bulk in a cardboard box and take advantage of their long shelf life of around 20 days from harvest.

They deliver value in every serve.

Your average spend per plate of mushrooms is just \$3 to \$5, yet diners will spend around \$22 on a breakfast or brunch dish. This cost effectiveness, plus the fact that mushrooms are consistently available all year round, make them a winner.