

F&B SERVICE MANAGEMENT
UNIT- 10
MENU ENGINEERING





Plough Horse



Puzzle

UNIT- 10
MENU ENGINEERING



Star



Dog



CH: 1 DEFINITION AND OBJECTIVES

Menu engineering is the study of the profitability and popularity of menu items and how these two factors influence the placement of these items on a menu. The goal is simple: to increase profitability per guest.

The marketing-oriented approach to the evaluation of a menu with regards to its present and future content, design and pricing is termed as menu engineering. Its origin is based on the famous Boston consulting group portfolio technique. The concept of menu engineering requires f&b managers to adapt themselves to the contribution that menu items make to the total profitability of a menu. The menu engineering high lights the good and the poor performer in a menu, and provides vital information for making the next menu more acceptable and appealing to the customer and also more profitable for the management.



CH: 1 DEFINITION AND OBJECTIVES

WHY MENU ENGINEERING:

- ❖ Helps to foodservice operator when to keep menu items and when to take off items from the menu.
- ❖ Helps to determine which menu items are over or underpriced.
- ❖ Helps in designing profitable menu.
- ❖ Helps to select the menu items to be repositioned to gain popularity.
- ❖ Helps to revise recipe and portion size of the menu item.
- ❖ Helps in monitoring menu performance.



CH: 1 DEFINITION AND OBJECTIVES

MENU ENGINEERING FOCUSES ON THE THREE MAIN ELEMENTS:

- ❖ **DEMAND:** The number of customers who visited the restaurant and had meals in the restaurant. The feedback form is filled up by them and their remarks regarding the menu are taken into account.
- ❖ **MENU MIX:** The dishes which are more ordered by the guests are analysed to know that which set of dishes are more popular and how management can improve its profitability by having menu mix.
- ❖ **CONTRIBUTION:** The gross profit earned by selling a particular menu is analysed and compared with the other menus gross profit (Gross profit = Sales – food cost/variable cost).



CH: 1 DEFINITION AND OBJECTIVES

THE FOLLOWING PRE-REQUISITES ARE MUST FOR USING THIS TECHNIQUE:

- ❖ **STANDARD RECIPES:** All recipes prepared by the kitchen must be of a standard including its portion size, presentation of the dish, accompaniments served, etc. This will ensure the accurate food cost.
- ❖ **UNIFORM RATE:** The rates of all the raw material must be standard and uniform so that there is no variation in food cost for the menus.
- ❖ **SALES ANALYSIS:** The sales analysis of each menu and meal must be done carefully and it must be accurate so that the different menus sales can be analysed. This can be done by making analytical sales summary sheet.
- ❖ **COMPUTERS:** for the purpose of calculating sale, food cost, gross profit, etc. It is recommended that the computer should be used so that all calculation are done accurately and with speed.

CH: 2
METHODS





CH: 2 METHODS

Using this simple mix, menu items can be grouped depending upon the popularity among guests, gross profit contribution etc. The four squares of the matrix commonly plotted depending upon the performance of items in a particular square.

On a graph comparing popularity to profit, using data from a recent time period such as the previous 30 days, plot menu items. It should look something like this:





CH: 2 METHODS

STARS: HIGH PROFITABILITY AND HIGH POPULARITY

Your stars are... well, the stars on your menu! As such, your menu design should highlight them. Rather than experiment with these menu items, keep them consistent, and promote them in any way you can.

STARS: Menu items high in both popularity & contribution margin. Stars are the most popular items on your menu. They may be your signature items.





CH: 2 METHODS

PLOWHORSES: LOW PROFITABILITY AND HIGH POPULARITY

Plowhorses are popular staples that you're actually losing money on. The goal is to create more profitable versions of these items with volume. Menu items high in popularity but low in contribution margin. Plow horses are but low in contribution margin. Plow horses are demand generators. They may be the lead items on your menu or your signature items. They are often significant to the restaurant's popularity with price conscious buyers.



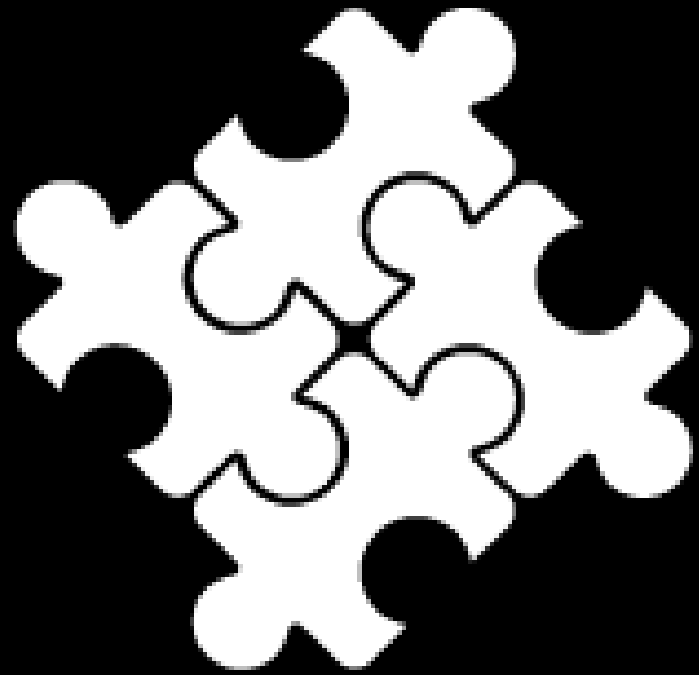


CH: 2 METHODS

PUZZLES: HIGH PROFITABILITY AND LOW POPULARITY

Puzzles are the items on your menu that are highly profitable, but difficult to sell. Investigate whether customers like the taste of these items. You may need to reinvent these items, but sometimes simply lowering prices will increase popularity enough to produce higher overall profits.

In other words, Puzzles yield a high profit per item sold. But they are hard to sell.





CH: 2 METHODS

DOGS: LOW PROFITABILITY AND LOW POPULARITY

Dogs are your menu items that just aren't contributing to profit enough.. However, be careful. You may have a menu item that is a staple among some customers but not others (your kid's mac and cheese, for instance). Instead of deleting these dogs, you can de-emphasize them by hiding them on your menu. Menu items low in popularity and low in contribution margin. These are your losers. They are unpopular, and they generate little profit.



CH: 3
ADVANTAGES





CH: 3 ADVANTAGES

To be a successful food and beverage service personnel, you have to have perfect knowledge of the menu, menu planning considerations, menu pricing and engineering. Either you work as an employee for an establishment or want to operate your own business, this is a fundamental requirement. Assume as a banquet manager of a large hotel having 5 banquets and operate 5-7 different five to seven activated in a day and will be required to plan 5 menus per day x 365 that is approximate 1825 menu per year in the similar way as a social caterer you require to plan thousands of menu.



CH: 3 ADVANTAGES

In a busy commercial restaurant, as a chef de rang you may be responsible to take the minimum order from 4-6 tables (station) in one shift and approximate you have to assist 3650 hosts in the selection of the menu in a year. Catering Industry is growing at a very fast rate and every day new entrepreneurs are looking for menu Analysts, Designers, and Engineers. After doing a lot of practice at your place that is institute/ industry, you can develop potential and skills require getting success. A good food and beverage service personnel may earn lucrative amount through the menu.



Thank
you.