Ask anyone who is responsible for a professional foodservice operation what keeps them up at night, and be prepared to hear a pretty long list of concerns. In one category will be things like providing guests with enough variety, making seasonal menu changes, serving hot food hot and cold food cold, and mastering basic cooking techniques. Another category of concerns includes keeping food costs on budget, not running out of anything, reducing waste, stocking products with the correct specs, and maintaining an organized and spotless kitchen.

One of the best and most important tools for tackling all the challenges in the second category—and helping with concerns in the first category, too—is taking a monthly inventory of all the products in your kitchen. Monthly inventories are absolutely the norm in any free-standing or hotel restaurant, whether big or small, corporate or mom & pop. Monthly, or even weekly, inventories are also a given in any corporate, hospital, prison, or educational foodservice operation. As far as I’ve seen, it’s only in senior living that, for some reason, inventories are frequently not part of the standard operating procedure. Let’s take a look at just how inventories work, and how they can help your operation in many concrete ways.

**HOW MONTHLY INVENTORIES WORK**

First, let’s consider the concept of “food cost.” For most of us, this is a monthly budgeted amount that we can spend on food.
inventories on an iPad, others like to print out the pages and put them on a clip board. Do whatever makes the most sense for your operation.

Try dividing up the work so that one or two people (wearing coats) inventory the walk-ins, another does the dry storage, another does the reach-ins, and so on. If you’ve got the staff, using the buddy system can help it go faster.

**HOW INVENTORIES CAN HELP YOUR OPERATION**

If you have any doubts about whether it’s worth doing inventories to see what food is used in a month, and not what food is purchased, consider this one example. Let’s say your chef decides to take advantage of a great deal on frozen shrimp and buys three months’ worth. If you didn’t do an inventory and just went by what you paid in invoices that month, it would look like

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your food expenses went through the roof that month, instead of reflecting what, in time, would be an actual savings. Not only would you have an incorrect idea of your actual costs, but you wouldn’t be doing your chef’s morale much good, either. It would be a similar situation if you happened to get a big delivery on the last day of a month.

Another key benefit of taking a regular inventory is that your staff will have no option but to really get to know exactly what’s in the kitchen, where it is, what condition it’s in, and the available quantity. Make the most of the time that inventory is taking place by encouraging your staff to clean, organize, and rotate stock as needed, as they go. It could also be the perfect time to clean up an area, big or small, that may have been neglected. With a little encouragement, your staff will also take more ownership and care in receiving, stocking, and rotating deliveries if they know they’re going to have to deal with it all anyway at the next inventory.

An obvious and important advantage of doing inventories is that it will absolutely make your ordering more accurate and proficient. Not really being certain of what you’ve already got in house will either result in ordering too much of something and increasing the chance of it going bad and being thrown out, or not ordering enough and either running out at service or having to make an emergency run and pay retail for it. Having product delivered with the wrong specs (random chicken breasts instead of 5-ounce portions, 80 percent lean ground beef instead of 90 percent, etc.), and then accepting it, will raise your costs and lower the quality and consistency of the food you serve. If you make sure that your order guide matches your inventory list, everyone will get to know what should be delivered, notice if something is wrong, and correct it before it goes into your stock and then gets prepped and served. In any case, having better control over your ordering and receiving process will improve your food cost, your prep time, and the quality and consistency of the food you serve. It will also lower the stress levels throughout your operation!

Seeing just what you have on hand is also very helpful when it comes to developing specials. If you suddenly become aware of a few pounds of something in your freezer, or a half of a case of a certain vegetable that will spoil in a couple of days, see if you—or one of your cooks—can come up with a soup, appetizer, or even a nice garnish for the next day. You’ll get to be creative, give your guests something new, and use up product that would have probably gone into the trash because no one noticed it was even there.

There are a lot of good reasons for monthly inventories to be part of your kitchen operation. The hardest part might be getting over the inertia that’s preventing you from taking the first step. The sooner you start, the sooner you’ll be reaping the benefits.

MORE ON CALCULATING MONTHLY FOOD COSTS ON ANFPtv
ANFPtv features three videos relating to food cost, including one on Monthly Food Cost. Other videos in the Focus on Formulas series cover Raw Food Cost Per Meal and Raw Food Cost Per Patient Day. These videos are designed to help food and nutrition professionals better understand common formulas used in food service. Visit ANFPtv to access these free informational programs.
DURING THIS TIME OF DIFFICULTY AND UNCERTAINTY due to the coronavirus, it’s more important than ever to have tight control over our operations in general, and especially our inventories. Possible shortages, fear that our suppliers will be unable to deliver the products we need, pressure to perform our best with reduced personnel, and less forgiving budgets are all part of our current reality. Accurate monthly inventories can help with all of these concerns and more.

After this crisis—or any other emergency scenario—has passed, it will be important to assess how your department performed in terms of inventory availability. Were there any shortages? Any surprises? Hone your disaster readiness plan after any unforeseen event to enhance your future performance in times of tumult.