



Preface

This book is designed to share successful cost management strategies and procedures with students and managers who wish to update or renew their cost control knowledge. It includes details on how to plan, assess, and interpret the many cost control aspects of food and beverage operations. It also presents vital financial information so you can learn to meet your company's profit *and* expense objectives. We direct these teachings toward “the manager;” but the truth is that everyone in restaurant management must work together toward the twin financial goals of *minimizing expenses* and *maximizing profit*. You may be a manager, purchaser, controller, analyst, executive chef, food and beverage director, or owner; the common threads of expenses and profits run through all of these roles. The challenge is that your goals may, at times, conflict. This book teaches you how to systematically analyze your operations and determine the best course of action.

This book is markedly distinct from other food and beverage cost control texts, with many inclusions and helpful forms you can use in your business. Some of the important differences are listed here:

- **The author is a full-time practicing controller and a part-time college instructor.** Cost-effective practices are emphasized, and different and improved control techniques are offered for various environments.
- **This is not a strict “theory” book.** The book illustrates, step by step, how to isolate, identify and correct performance, and how to improve your financial position.
- **This book covers critical topics that are often ignored.** Profit improvement, “make or buy” decisions, inventory control tools, and forecasting are included and detailed.
- **This book provides practical information on departmental interaction to help you do your job.** This book addresses the relationships of the controller (“back of the house”) with the restaurant manager (“front of the house”) and the purchasing department, which are all too often adversarial. Learning to coordinate the efforts of these three areas will have the maximum impact on cost and profitability.
- **This book isolates practical causes and offers solutions.** Many abnormal or changing situations in operational and financial activities require management's action. Part of your job will be to identify these situations quickly and accurately, and respond appropriately.
- **This book highlights how changes in operational statistics affect the company.** The text provides a basis for investigating and interpreting specific changes in data relationships. This information could indicate possible problem situations or undesirable trends. Identifying such trends is crucial to your company's success.
- **This book shows how to view markets and customers.** Such viewpoints will necessarily influence your cost of goods, operational strategies, and pricing.
- **This book contains practical suggestions.** It provides strategies for improving management decision-making in the areas of profitability, financial stability, and staffing issues.

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- **This book helps you measure your success.** You will find tools to evaluate your operation, insight into what your numbers mean, practical means to analyze your data, and suggested actions to take.

With today's emphasis on reducing cost, improving quality, and maximizing service, combined with the consumer's ever-increasing quest for value, the information in this book becomes increasingly important. Each chapter in the book provides specific information needed to avoid pitfalls and focus on improving your bottom line. Many examples are included to demonstrate theories and concepts in practice.

It is my hope that by providing an understanding of the principles and practices of food and beverage cost control and profit improvement, *Practical Food and Beverage Cost Control* can capture the discipline's rigor, intellectual richness, challenges, and dynamism for all its readers.

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