

Explanation of the Menu Engineering Worksheet

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| <p>Column A gives a description of the item on the menu.</p> | <p>Box I (cell G17) gives a total number of all menu costs.</p> | <p>Box Q (cell R17) is the percentage of the entire menu. This figure requires careful work. It is calculated by dividing one menu item by the total menu items and multiplying it by 70%, to give the total percentage. 70% is a figure established by the developers of menu engineering, based on their own personal experiences in the industry. They state that 70% produces the most useful analysis, for example, a menu that has 10 items would be $1 \div 10 \times 70 = 7\%$. A menu that has 12 items would be $1 \div 12 \times 70 = 5,8\%$.</p> |
| <p>Column B gives the total amount of each item sold.</p> | <p>Box J (cell H17) gives the total menu revenues.</p> | |
| <p>Column C gives the contribution percent that that item contributes to the total sales.</p> $\frac{\text{Numbersold}}{\text{Total numbersold}} \times \frac{100}{1}$ <p>= Menu mix %</p> | <p>Box K (cell F19) gives the total revenue costs and the food cost %.</p> $\frac{\text{Menu cost}}{\text{Menu revenue}} \times \frac{100}{1} = \text{Food cost \%}$ | <p>Column R is the menu mix (MM). The entries in this column, 'H' for high and 'L' for low, are determined by comparing the menu mix percentage in column C with the figure in box Q. Because all entries in Column P and Column R are one of two letters, there are four possible letter combinations used to describe each of the menu items, as follows:</p> |
| <p>Column D gives the item's food cost.</p> | <p>Column L gives the menu's gross profit Number sold x gross profit = total gross profit margin</p> | <p>STAR: High profitability and high popularity Is a menu item that produces both a high gross profit and high sales volume. A star is both profitable and popular, don't try to get rid of it, don't experiment with it, just keep them on the menu and ensure they are highly visible.</p> |
| <p>Column E gives the sales price of that item.</p> | <p>Box M (cell I17) gives the total gross profit margin.</p> <p>Box N (cell B17) gives the total items sold.</p> | <p>DOG: Low profitability and low popularity Is a menu item that produces a comparatively low gross profit and accounts for relatively low sales. A dog is both unprofitable and unpopular, unless you try to reinvent them, consider removing them from the menu.</p> |
| <p>Column F gives the gross profit of that item, namely sales price – food cost = gross profit.</p> | <p>Box O (cell F26) gives the average gross profit margin</p> $\frac{\text{Grossprofitmargin}}{\text{Total numbersold}} \times \frac{100}{1}$ <p>= Average GP margin</p> | <p>PLOW HORSE: Low profitability and high popularity Is menu item that produces a low gross profit but accounts for high sales. A Plow horse is popular but relatively unprofitable. It should be kept on the menu, but you should try to increase the gross profit without decreasing the sales. You could look for ways to make them more profitable such as decreasing portion size or train staff to pair this with another sale such as a drink.</p> |
| <p>Column G is the menu cost, namely number sold x item's food cost = menu cost (that is, how much it cost to make).</p> | <p>Column P is the gross profit category. The entries in this column, 'L' for low and 'H' for high, are made by comparing the gross profit margin for each item on the menu with the gross profit margin for the entire menu, that is, comparing the 'F' column with the 'O' box.</p> | <p>PUZZLE: High profitability and low popularity Is a menu item that produces high gross profit but low sales. A puzzle is comparatively profitable but relatively unpopular. They are usually high-priced items that are difficult to sell. Keep them on the menu but try to increase their popularity through specials, social media, renaming and changing the pricing slightly.</p> |
| <p>Column H represents the revenue derived from the item, namely the number sold x the item's sales price = menu revenue.</p> | | |