Instructions for Using the Menu Engineering Worksheets

The purpose of the following menu worksheets is to help you to understand the relative profitability and popularity of your menu items so that you can make better menu planning, design and pricing decisions.This process allows managers, owners and chefs to recognize the items that they want to sell (the most popular and profitable ones) and to eliminate those items that do not contribute to the restaurants bottom line. The process also allows for more subtle menu planning by revealing, for example, a popular but unprofitable item which can be "re-engineered" to provide more profit.

Menu engineering places more emphasis on the concept of contribution margin as opposed to food cost percentage. The contribution magin or gross profit of a menu item is it's selling price less its food cost. A steak dinner that costs $8.00 and sell for $20.00 has a gross profit of $14.00 and a food cost of 40%. Contrast that to a Pasta Dinner that costs $2.00 and sells for $10.00 resulting in a gross profit of $8.00 and a 20% food cost. Which item would you rather sell? Food costs, while important, do not tell the whole story!

Each worksheet is designed to evaluate a one of your menu categories: appetizers, soups & salads, entrees or desserts. and desserts. In order to use these worksheets you will need the following information for each menu item:

1. **The standard recipe cost for each item**
2. **The total number of each item sold for the time period being evaluated**
3. **The selling price for each item**

Use the **"Sample"** worksheet to see how the numbers are input, and derived columns are calculated. Some of the cells contain comments that offer explanation of the use or purpose of the numbers generated in that cell. You will recognize a comment by a red "marking" located in upper right corner of the cell.

Here are some additional notes and tips:

a) You will need to enter each menu item by name in **Column A**

b) The only other inputs are to be made in **Columns B, D and E**. The rest of the process is fully automated!

c) **Column P** "Profit Category", ranks each menu item relative to its profitability or "Item Profit" (**Column F**). Those items that result in a designation of **"Low"** have an item profit that is less than the average for the entire list of items (**Column Heading O**) while a profit category designation of **"High"** indicates that item proift is greater than the average.

d) **Column R** "Popularity Category" is based on how popular the item is relative to the other items on the menu. Rather than basing the decson of **"Low"** versus **"High"** based on the average item popularity, the formula is designed to consider that break point as **80%** of the average. This means that a menu item that sells less than 80% of the average number of units is designated as "Low" and items that sell more than 80% of the average are indicated as "High" in the Popularity Category. This indicates the importance of a menu items realtive profitablity ranking as compared to its popularity.

e) Finally, the worksheet combines the profitability and popularity rankings to create one of four Menu Classes: **Star, Challenge, Workhorse and Ant**

Star =   *High Profit and Profitability*
Challenge=   *High Profit but Unpopular*
Workhorse=   *Low Profit but Popular*
Ant=   *Low Profit and Not Popular*

The name of the game is to produce as many stars as possible and rotate your menu so as to reduce your dogs. Challenges are named because they provide an opportunity to take a profitable item and by redesign (recipe, ingredients, presentation) turn it into a popular one as well. Workhorese provide less than average item profit but are typically popular enough so as to keep them on the menu. The challenge here is to redesign an item to enhance its profit without hurting its popularity!

Use these results as a guide only! Common sense must always prevail!

Good Luck….

NOTE: The worksheets are all locked for your protection. Only those cells that are to be used for direct input of information or numbers are "unlocked"

MENU ENGINEERING WORKSHEET

Enter Your Restaurant Name Here

		Date Prepared:	January 1, 2018
		Period Covered:	Week Ending Jan 2

A	B	C	D	E	F	G	H	L	P	R	S
Menu Item Name ITEM	Number Sold	Popularity %	Item Food Cost	Item Sell Price	Item Profit (E-D)	Total Cost (D*B)	Total Revenue (E*B)	Total Profit (H-G)	Profit Category	Popularity Category	Menu Item Class
Item # 1	100	10.8%	$1.25	$4.50	$3.25	$125.00	$450.00	$325.00	Low	High	Workhorse
Item # 2	50	5.4%	$1.50	$5.00	$3.50	$75.00	$250.00	$175.00	Low	Low	Ant
Item # 3	60	6.5%	$1.60	$6.00	$4.40	$96.00	$360.00	$264.00	High	Low	Challenge
Item # 4	110	11.9%	$0.95	$5.00	$4.05	$104.50	$550.00	$445.50	Low	High	Workhorse
Item # 5	25	2.7%	$2.00	$4.50	$2.50	$50.00	$112.50	$62.50	Low	Low	Ant
Item # 6	35	3.8%	$1.60	$5.00	$3.40	$56.00	$175.00	$119.00	Low	Low	Ant
Item # 7	75	8.1%	$1.10	$4.00	$2.90	$82.50	$300.00	$217.50	Low	High	Workhorse
Item # 8	90	9.7%	$2.25	$7.00	$4.75	$202.50	$630.00	$427.50	High	High	Star
Item # 9	140	15.1%	$1.95	$6.50	$4.55	$273.00	$910.00	$637.00	High	High	Star
Item # 10	25	2.7%	$1.95	$6.75	$4.80	$48.75	$168.75	$120.00	High	Low	Challenge
Item # 11	120	13.0%	$2.30	$7.50	$5.20	$276.00	$900.00	$624.00	High	High	Star
Item #12	95	10.3%	$2.00	$6.50	$4.50	$190.00	$617.50	$427.50	High	High	Star

	N	
Total	925	100.0%

I	J	M
$1,579.25	$5,423.75	$3,844.50

K = I / J
29.1%
Food Cost %

O = M / N
$4.16
Ave Item Profit

Q = (100% / Items) * (80%)
6.7%
Menu Popularity Factor

MENU ENGINEERING WORKSHEET

Enter Your Restaurant Name Here

Date Prepared:	1/12018
Period Covered:	Week Ending Jan 2

A	B	C	D	E	F	G	H	L	P	R	S
Menu Item Name **ENTREES**	**Number Sold**	**Popularity %**	**Item Food Cost**	**Item Sell Price**	**Item Profit (E-D)**	**Total Cost (D*B)**	**Total Revenue (E*B)**	**Total Profit (H-G)**	**Profit Category**	**Popularity Category**	**Menu Item Class**
		0.0%			$0.00	$0.00	$0.00	$0.00			
		0.0%			$0.00	$0.00	$0.00	$0.00			
		0.0%			$0.00	$0.00	$0.00	$0.00			
		0.0%			$0.00	$0.00	$0.00	$0.00			
		0.0%			$0.00	$0.00	$0.00	$0.00			
		0.0%			$0.00	$0.00	$0.00	$0.00			
		0.0%			$0.00	$0.00	$0.00	$0.00			
		0.0%			$0.00	$0.00	$0.00	$0.00			
		0.0%			$0.00	$0.00	$0.00	$0.00			
		0.0%			$0.00	$0.00	$0.00	$0.00			
		0.0%			$0.00	$0.00	$0.00	$0.00			
		0.0%			$0.00	$0.00	$0.00	$0.00			

	N	
Total	**0**	**0.0%**

I	J	M
$0.00	$0.00	$0.00

K = I / J
0.0%
Food Cost %

O = M / N
$0.00
Ave Item Profit

*Q = (100% / Items) * (80%)*
0.0%
Menu Popularity Factor

MENU ENGINEERING WORKSHEET

Enter Your Restaurant Name Here

Date Prepared: January 1, 2018

Period Covered: Week Ending Jan 2

A	B	C	D	E	F	G	H	L	P	R	S
Menu Item Name **APPETIZERS**	Number Sold	Popularity %	Item Food Cost	Item Sell Price	Item Profit *(E-D)*	Total Cost *(D*B)*	Total Revenue *(E*B)*	Total Profit *(H-G)*	Profit Category	Popularity Category	Menu Item Class
		0.0%			$0.00	$0.00	$0.00	$0.00			
		0.0%			$0.00	$0.00	$0.00	$0.00			
		0.0%			$0.00	$0.00	$0.00	$0.00			
		0.0%			$0.00	$0.00	$0.00	$0.00			
		0.0%			$0.00	$0.00	$0.00	$0.00			
		0.0%			$0.00	$0.00	$0.00	$0.00			
		0.0%			$0.00	$0.00	$0.00	$0.00			
		0.0%			$0.00	$0.00	$0.00	$0.00			
		0.0%			$0.00	$0.00	$0.00	$0.00			
		0.0%			$0.00	$0.00	$0.00	$0.00			
		0.0%			$0.00	$0.00	$0.00	$0.00			
		0.0%			$0.00	$0.00	$0.00	$0.00			

	N	
Total	**0**	**0.0%**

I	J	M
$0.00	$0.00	$0.00

K = I / J
0.0%
Food Cost %

O = M / N
$0.00
Ave Item Profit

*Q = (100% / Items) * (80%)*
0.0%
Menu Popularity Factor

MENU ENGINEERING WORKSHEET

Enter Your Restaurant Name Here

Date Prepared: January 1, 2018

Period Covered: Week Ending Jan 2

A	B	C	D	E	F	G	H	L	P	R	S
Menu Item Name SOUPS & SALADS	Number Sold	Popularity %	Item Food Cost	Item Sell Price	Item Profit (E-D)	Total Cost (D*B)	Total Revenue (E*B)	Total Profit (H-G)	Profit Category	Popularity Category	Menu Item Class
		0.0%			$0.00	$0.00	$0.00	$0.00			
		0.0%			$0.00	$0.00	$0.00	$0.00			
		0.0%			$0.00	$0.00	$0.00	$0.00			
		0.0%			$0.00	$0.00	$0.00	$0.00			
		0.0%			$0.00	$0.00	$0.00	$0.00			
		0.0%			$0.00	$0.00	$0.00	$0.00			
		0.0%			$0.00	$0.00	$0.00	$0.00			
		0.0%			$0.00	$0.00	$0.00	$0.00			
		0.0%			$0.00	$0.00	$0.00	$0.00			
		0.0%			$0.00	$0.00	$0.00	$0.00			
		0.0%			$0.00	$0.00	$0.00	$0.00			
		0.0%			$0.00	$0.00	$0.00	$0.00			

	N	
Total	**0**	**0.0%**

I	J	M
$0.00	$0.00	$0.00

K = I / J
0.0%
Food Cost %

O = M / N
$0.00
Ave Item Profit

*Q = (100% / Items) * (80%)*
0.0%
Menu Popularity Factor

MENU ENGINEERING WORKSHEET

Enter Your Restaurant Name Here

Date Prepared: January 1, 2018

Period Covered: Week Ending Jan 2

A	B	C	D	E	F	G	H	L	P	R	S
Menu Item Name **DESSERTS**	**Number Sold**	**Popularity %**	**Item Food Cost**	**Item Sell Price**	**Item Profit** **(E-D)**	**Total Cost** **(D*B)**	**Total Revenue** **(E*B)**	**Total Profit** **(H-G)**	**Profit Category**	**Popularity Category**	**Menu Item Class**
		0.0%			$0.00	$0.00	$0.00	$0.00			
		0.0%			$0.00	$0.00	$0.00	$0.00			
		0.0%			$0.00	$0.00	$0.00	$0.00			
		0.0%			$0.00	$0.00	$0.00	$0.00			
		0.0%			$0.00	$0.00	$0.00	$0.00			
		0.0%			$0.00	$0.00	$0.00	$0.00			
		0.0%			$0.00	$0.00	$0.00	$0.00			
		0.0%			$0.00	$0.00	$0.00	$0.00			
		0.0%			$0.00	$0.00	$0.00	$0.00			
		0.0%			$0.00	$0.00	$0.00	$0.00			
		0.0%			$0.00	$0.00	$0.00	$0.00			
		0.0%			$0.00	$0.00	$0.00	$0.00			

	N	
Total	**0**	**0.0%**

I	**J**	**M**
$0.00	**$0.00**	**$0.00**

K = I / J
0.0%
Food Cost %

O = M / N
$0.00
Ave Item Profit

*Q = (100% / Items) * (80%)*
0.0%
Menu Popularity Factor