

## What is menu engineering?

Let's be honest – it is a daunting task. It's one of those things you know you've got to do, but you just keep putting it on the back burner for another day. Fortunately, it's not as hard as it sounds and the reward for completing such a task is huge. Without a properly engineered menu, you're letting profits slide right through your fingertips. We've translated the complexities into layman's terms so anyone can put these practices into effect. Keep reading...

# Menu Analysis

You've got to crunch some numbers – just analyze your Top Ten items!

Menu Item Name:		<b>Chopped Steak</b>							
Last Updated:		01/25/2005 10:57:04AM							
Serves - 1 for \$7.95									
		Plate/Serving			Total			%	
Price:		\$7.95	\$7.95						
Cost:		\$3.29	\$3.29	41.36					
Profit:		\$4.66	\$4.66	58.64					
SUPC	S	Description	Brand	Seq	Qty	Type	Unit Cost	XCost	Mrgn
2642940		BEEF GRND PTY TJ	WIS-PAK	1	1.00	EA	\$1.51	\$1.51	0.46
8313918		ONION YELLOW JMBO FRSH BOX	SYS IMP	2	2.00	OZ	\$0.01	\$0.03	0.01
1864735		MUSHROOM SLI FRESH	SYS IMP	3	2.00	OZ	\$0.09	\$0.18	0.05
4189023		GRAVY BEEF FLVR RSTD RTU	SYS CLS	4	2.00	OZ	\$0.04	\$0.07	0.02
		PLATE COST		5	1.00	EA	\$1.50	\$1.50	0.46

Menu Item Name:		<b>Whitefish</b>							
Last Updated:		01/25/2005 10:52:08AM							
Serves - 1 for \$11.95									
		Plate/Serving			Total			%	
Price:		\$11.95	\$11.95						
Cost:		\$3.80	\$3.80	31.76					
Profit:		\$8.15	\$8.15	68.24					
SUPC	S	Description	Brand	Seq	Qty	Type	Unit Cost	XCost	Mrgn
6279384		WHITEFISH FIL PB 8-10OZ FRSH	PACKER	1	9.00	OZ	\$0.22	\$2.01	0.53
		PLATE COST		2	1.00	EA	\$1.50	\$1.50	0.40
6520845		ALMOND SLICED NAT	PACKER	3	1.00	OZ	\$0.29	\$0.29	0.08

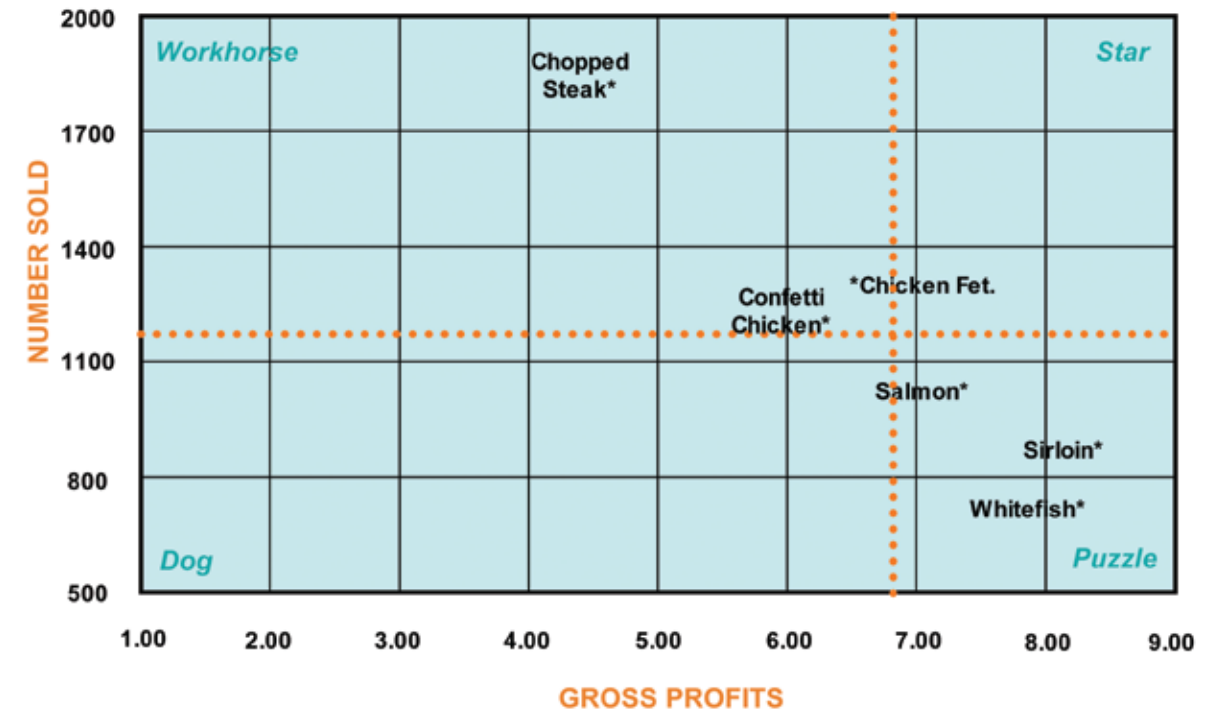
# Plot your items.

With the **Star Chart**, you can easily see your **Stars** – they sell well and they bring the highest Gross Profit Margin. Give these items preferred placement on the menu.

**Workhorses** sell well, but don't do as well in profit margin. If you can find a way to reduce the cost of producing these items and still maintain sales, they have an excellent chance of moving across the line into Star territory.

Third are the **Puzzles**. They don't sell as well as you'd like, but when they do, the profit margin is above average. These tend to be your more expensive items, and too many of them can adversely affect your menu. Increase their popularity by giving them prime menu real estate.

Finally, you have the **Dogs**. These items don't produce for you at all, but are sometimes necessary to have on the menu – perhaps they're important to a particular market, such as the children's menu. Unless there is a compelling reason that they should stay, these are the first items to look at replacing or eliminating to increase sales and profit margins.



# Money in the bank.

Which do you deposit –  
food cost percentages or cash?

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## FETTUCCINE ALFREDO

**Food Cost = 22.83%**

menu price 10.95  
cost of food - 2.50

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**Gross Profit \$8.45**

## BEEF TENDERLOIN

**Food Cost = 38.35%**

menu price 16.95  
cost of food - 6.50

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**Gross Profit \$10.45**

We have  
a winner!

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Food cost percentages are only a guide, not a valid business science!



# It's all about perception.

- DON'T** line up prices in a column. It's too easy for customers to choose the cheapest item.
- DO** use "price justification", meaning the price is listed directly after a mouth-watering description.
- DO** round your pricing up to end in 9. This can add thousands to your pocket.
- DO** add value perception with Portion Size, Plate Presentation and Service Style.
- DO** maximize your perceived value – even by the look of the menu.

# Say goodbye.

**All items that do not represent a minimum of 3% of total sales per category need to go.**

Items that contribute less than 3% per category should be considered for removal from the menu – unless strong seasonal ties make it logical to keep them on the menu during that period.

- Undo stress for the kitchen in keeping quality items
- Lower item inventory count
- Reduce spoilage
- Create more "profitable real estate" on the menu

# Get personal.

The front cover of your menu is expensive real estate. Most menu covers contain only a logo and an address. Use this valuable space to promote your establishment and/or a profitable item such as cocktails, catering, desserts or the house specialty.

The cover can also be used to tell an endearing story about your business. This creates an emotional connection, which is a strong ingredient in the art of selling! Personalizing your menu with your family photos can have the same effect.

# Highlight high profit items.

Call attention to high profit items by using the following techniques:

## Word Highlighting

New!, Special, Award Winning, Homemade, Lite, Seasonal

## Icons

Use an icon to call attention to your high-profit items, which you may denote as “House Specialties,” “Local Favorites,” “Family Recipe,” etc.

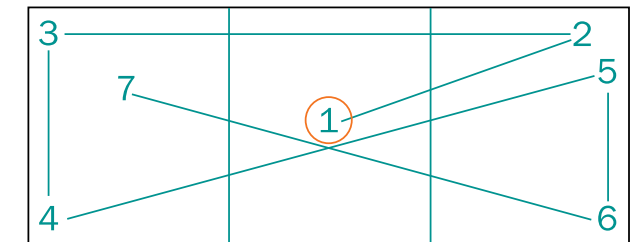
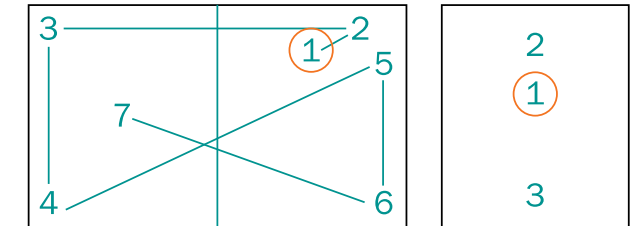
## Pop Boxes

Use pop boxes to make your high profit items jump off the page. This effect can increase sales by an average of 18% when properly used.



# Page Positioning

Remember that customers will only spend an average of **109 seconds** (at the most) reading a menu. The reader's eye follows a predictable, critical path as it scans the page. Therefore, a primary goal is placing the highest gross profit sections in the number one position on the menu.



# Category Positioning

Again, there is a predictable pattern in which the reader's eye will read a categorical list of foods. The first and last positions in a category list are the prime real estate. The reader is most likely to make a mental note of the items in these two positions.

Use of icons or pop boxes can draw the eye away from the natural flow.

Items buried in the center of a category tend to be overlooked. Place your lower profit or labor intensive items here.



## A tune-up for your menu.

Did you know that an average of \$2500 in monthly increased profits are available for most independent restaurateurs? We're so sure, we'll guarantee a minimum of at least \$1000 of additional profits in the first month, or we'll refund our menu engineering fees!

### **Off Site Tune-Up**

You provide your sales information to us and we will give you solid menu engineering recommendations for a profit generating menu.

Independent Restaurants: \$1500 fee

Regional and National Chains: \$2500 fee

