

NRAEF ManageFirst
Controlling Foodservice Costs
Correlation Guide

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To facilitate the use of the NRAEF ManageFirst Controlling Foodservice Costs Competency Guide

This Correlation Guide will help you better understand how you can easily use the National Restaurant Association Educational Foundation's (NRAEF) ManageFirst Program™ in your classroom.

The NRAEF ManageFirst Program is a unique, competency-based certificate program developed for colleges and universities. Created with input from more than two hundred industry experts—including academics, operators, trainers, hiring managers, and executives—the NRAEF ManageFirst Program focuses on twelve topics deemed essential for management success in the restaurant, foodservice, and hospitality industry. The NRAEF ManageFirst Program includes twelve competency guides (published by Pearson Prentice Hall), examinations, instructor resources, certificates, a new credential, and support services. Each competency guide aligns with one on-campus course, and an NRAEF examination is written for each guide topic. As a professional restaurant, hospitality, or foodservice educator, it is very likely that you currently teach one or more courses having content closely aligned with the new NRAEF ManageFirst list of topics. Most important, the program is competency-based, so you may teach the course using the subject matter related textbook of your choice, or none at all. The instructor has the discretion to determine if the guides are used as supplementary materials or as stand-alone, slimline texts. This Correlation Guide will help you easily locate critical competencies you teach in courses that include information found in the *NRAEF ManageFirst Controlling Foodservice Costs Competency Guide*.

This Correlation Guide is appropriate for use in post-secondary courses you teach with a variety of titles, including:

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|---|--------------------------------|--|
| ■ Food and Beverage Cost Control | ■ Restaurant Management | ■ Food and Beverage Operations |
| ■ Hospitality Management Cost Control | ■ Restaurant Operations | ■ Institutional Foodservice Management |
| ■ Controlling and Analyzing Foodservice Costs | ■ Quantity Food Management | ■ Dietary Department Management |
| | ■ Food and Beverage Management | |

The NRAEF furnishes a customized certificate to students who pass the examination for each topic. Students can also earn the NRAEF ManageFirst Professional™ (MFP) credential designating their mastery of a set of core competencies in the NRAEF ManageFirst Program.

NRAEF ManageFirst Controlling Foodservice Costs Competency Guide

Competencies Related To	Pages
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Focus Topic: What Is Cost Control?

Competencies	Location
The Manager's Role in Cost Control	
Explain the manager's role in cost control.	pages 2—3
Describe the relationship between operational standards and controlling costs.	pages 3—4
Types of Costs	
Recognize the difference between controllable and noncontrollable costs.	pages 4—5; <i>Exhibit 1a</i>
Classify costs as either controllable or noncontrollable.	pages 5—6; Activity Cost Cutting Practice on p. 6
Recognize the differences between fixed, variable, and semivariable costs.	pages 6—8; <i>Exhibits 1b, 1c</i>
Classify costs as fixed, variable, or semivariable.	pages 7—8; Activity How Variable Is the Cost? on p. 8
Know the definition of <i>prime cost</i> as it relates to the hospitality industry.	page 9
The Cost Control Process	
Know and explain the importance of each critical step in the cost control process.	pages 9—15; <i>Exhibits 1d, 1e, 1f</i> ; Activity Evaluating Cost Control Software on p. 14

Focus Topic: A Closer Look at Food Cost

Competencies	Location
The Definition of Food Cost	
Identify the components used by management to determine food cost.	pages 18—19; <i>Exhibit 2a</i>
The Calculation of Food Cost (Cost of Food Sold)	
Understand how to calculate a food cost (cost of food sold).	pages 20—21; Activity Figuring Food Cost on p. 21
The Calculation of the Food Cost Percentage	
Understand the mathematical method used to calculate a food cost percentage.	pages 22—23; <i>Exhibit 2b</i> ; Activity How to Figure Food Cost Percentages on p. 23
Explain how changes in food costs and sales revenue affect the size of the food cost percentage.	pages 23—25; <i>Exhibit 2c</i>

Focus Topic: Standardized Recipes and Standard Costs

Competencies	Location
The Standardized Recipe	
Understand the term <i>standardized recipe</i> .	pages 28—30; <i>Exhibit 3a</i>
Explain why a standardized recipe is important to cost control and product consistency.	page 30
The Standard Portion Cost	
Explain the two methods used to cost recipe ingredients.	pages 30—32; <i>Exhibit 3b</i> ; Activity Calculating the Shrinkage of Prime Rib on p. 32
Know the procedure used to calculate a standard portion cost based upon information found on a standardized recipe.	page 33—38; <i>Exhibits 3c, 3d</i> ; Activity Converting a Standardized Recipe to a Recipe Cost Card on p. 37

Focus Topic: Cost Control and the Menu

Competencies

Location

Determining Selling Prices for Menu Items

Explain the methods commonly used to establish the selling price of menu items.

pages 42—46; *Exhibits 4a, 4b, 4c*; Activity Using Formulas to Figure Menu Selling Prices on p. 46

Market Forces That Affect Selling Prices

Tell how the three major factors of competition, price-value relationship, and markup differentiation affect menu item selling prices.

pages 47—49; *Exhibits 4d, 4e*

Menu Product Mix

Understand the method used to create a menu mix spreadsheet.

pages 49—52; *Exhibits 4f, 4g*; Activity Completing a Menu Product Mix on p. 52

Monitoring Menu-Related Controls

Explain how managers use the menu as a food cost control device.

pages 52—55; *Exhibit 4h*; Activity Menu Control and the Executive Chef on p. 54; Activity Burrito Biggies Menu Product Mix on pp. 56—57

Focus Topic: Cost Control in Purchasing and Receiving

Competencies	Location
Purchasing Procedures and Cost Control	
Explain how product specifications are used as a control device in the purchasing process.	pages 61—62; <i>Exhibit 5a</i>
Recognize the importance of purchase specifications to cost control.	pages 62—64; <i>Exhibits 5b, 5c</i>
Recognize the importance of purchase orders to cost control.	pages 64—66; <i>Exhibits 5d, 5e</i>
Understand the characteristics of the most commonly used purchasing methods and their effect on the cost of goods.	pages 64—69; <i>Exhibit 5f</i>
Calculate a yield test to demonstrate the difference between an as purchased (AP) price and an edible portion (EP) cost.	pages 69—71; <i>Exhibit 5g</i> ; Activity Calculating EP Percentage and EP Cost on p. 71
Identify the factors that affect how much a foodservice operation pays for products.	pages 71—72; Activity What Would You Do? on p. 72
Distinguish between perishable and nonperishable goods and their relationship to the purchase cycle.	pages 73—74
Calculate a par stock.	pages 67, 75—76; Activity Calculating Par Stock Amount to Order on p. 76
Calculate the amount to purchase using EP and yield percentages.	pages 76—77; Activity Calculating the Amount to Purchase Using EP and Yield Percent on p. 77
Catering Purchases	
Calculate the amount of product to purchase when serving a catered event.	pages 77—78; Activity Calculating the Amount to Purchase in Catering Services on p. 78
Butcher Yield Tests	
Calculate a butcher (meat yield) test.	pages 78—81; <i>Exhibit 5j</i> ; Activity Butcher Test for Turkey on p. 81
Receiving Procedures and Cost Control	
Describe the proper procedures for receiving goods.	pages 81—84; <i>Exhibit 5k</i>

Focus Topic: Cost Control in Storage and Issuing

Competencies

Location

Using Proper Storage Techniques to Control Food Costs

Describe how good food storage techniques can help control costs.	pages 88—92; <i>Exhibits 6a, 6b</i>
Describe how good food storage techniques can help prevent theft.	pages 92—94; <i>Exhibits 6c, 6d</i>

Inventory Controls

Explain the first in-first out (FIFO) method of stock rotation.	pages 89—90
Describe the proper method of taking inventory.	pages 94—96; <i>Exhibits 6e, 6f</i>
Explain the various methods of inventory pricing.	pages 97—101; <i>Exhibit 6g, 6h</i> ; Activity Calculating Averaged Price on p. 99; Activity Inventorying the Produce Section on p. 101
Calculate inventory turnover rates and values.	pages 102—104; Activity Calculating Inventory Turnover Rate on p. 104

Perpetual Inventories and Physical Inventories

Compare physical inventories to perpetual (theoretical) inventories.	pages 104—107; <i>Exhibits 6i, 6j</i> ; Activity Inventory Request on p. 107
Calculate a daily food cost based on requisitions.	page 105

Focus Topic: Controlling Food Cost in Production

Competencies

Location

Monitoring the Use of Standardized Recipes

Understand how to develop a food production chart.

pages 110—112; *Exhibit 7a*

Determining How Much Food to Produce

Know the importance of food production planning.

pages 112—115; *Exhibit 7b*;
Activity Calculating Portions on
p. 115

Describe how a waste report helps control food costs.

pages 116—117; *Exhibit 7c*;
Activity Analyzing a Waste
Report on p. 117

Recipe Conversions

Know how to use a conversion factor to calculate alternative yields for existing recipes.

pages 118—121; *Exhibit 7d*;
Activity Converting a Recipe on
p. 120; Activity Researching and
Converting Recipes on p. 121

Determining Recipe Yield

Determine a recipe's yield (the number of portions it will produce).

pages 122—125; Activity
Calculating Recipe Yield on
p. 123; Activity Calculating
Recipe Yield on p. 124

Focus Topic: Controlling Food Cost in Service and Sales

Competencies	Location
Service and Portion Control	
Explain the importance of portion cost to food cost.	pages 131—132
Portion Control Devices	
Describe the most common portion control devices and understand their uses.	pages 132—134; <i>Exhibits 8a, 8b</i>
Explain the importance of training in portion control.	page 134; <i>Exhibit 8c</i>
Explain the importance of monitoring and follow-through in portion control.	page 135
Explain the importance of plate presentation in portion control.	page 135; <i>Exhibit 8d</i>
Product Usage Report and Waste Reports	
Know the purposes of the product use report and the waste report.	page 136; <i>Exhibits 8e, 8f</i>
Controlling Food Cost in Sales	
Compare the duplicate guest-check system to the POS control system for monitoring the receipt of money.	pages 138—139; <i>Exhibits 8g, 8h</i>
List the benefits of each guest payment system commonly used in restaurants.	pages 140—141
Describe the cash handling procedures used in restaurants.	pages 141—145; <i>Exhibit 8i</i> ; Activity Benefits to Accepting Credit Cards on p. 143
Complete a daily sales (revenue) report.	pages 144—147; <i>Exhibit 8j</i> ; Activity Figuring the Daily Sales Report on p. 146; Activity Theft and Reputation What Should I Do? on p. 147

Focus Topic: Controlling Labor Costs

Competencies	Location
Labor Costs	
Distinguish between fixed, variable, and semivariable costs.	pages 153—154; <i>Exhibits 9a, 9b</i>
Explain how payroll costs, FICA, Medicare, and employee benefits make up labor costs.	pages 154—155
Describe the relationship between labor costs and business volume.	pages 155—156
The Budget as a Cost Control Device	
Recognize the importance of a budget to cost control.	pages 157—158; <i>Exhibit 9c</i>
Creating Schedules	
Explain the importance of sales forecasts in schedule creation.	pages 158—161; <i>Exhibit 9d</i> ; Activity Calculating Payroll Dollars Available on p. 161
Master Schedules	
Describe the components and factors to consider in the development of a master schedule.	pages 162—166; <i>Exhibits 9e, 9f</i> ; Activity Forecasting Positions for the Master Schedule on p. 164
Creating the Crew Schedule	
Explain the differences between a master schedule and a crew schedule.	pages 166—167; <i>Exhibit 9g</i>
Controlling Labor Costs	
List the factors that affect labor costs.	pages 167—170; <i>Exhibit 9h</i>
Explain how direct factors such as business volume affect labor cost.	pages 169—173; <i>Exhibit 9i</i>
Explain how indirect factors affect labor cost.	pages 173—174; <i>Exhibits 9j, 9k</i>
Calculate turnover rate percentage.	pages 169—170; Activity Calculating Turnover Rate Percentage p. 171
Describe the common measures of foodservice labor productivity including sales per person-hour, covers per person-hour, and sales per cover.	pages 175—179; Activity Labor Costs and Personnel Issues p. 177

Focus Topic: Controlling Labor Costs *continued***Competencies****Location****Appendix: Math Skills**

Apply basic math skills when addressing foodservice management issues.

pages 183—189

Field Project

Apply knowledge about controlling foodservice costs.

Suggested activities found on pages 191—192