MENU PROFITABILITY AUDIT

ANONYMISED CASE STUDY

Independent Hotel Bistro

What this example demonstrates
How Chef Office checks the integrity of existing costings, rebuilds dish economics around real production, identifies genuine margin leaks and separates verified facts from working assumptions.

Real kitchen data. Practical margin decisions.

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EXAMPLE REPORT - venue identity anonymised; cost data reflects the audit snapshot and is not a current supplier quotation.

EXECUTIVE SUMMARY

The menu looked healthy. The underlying data told a more complicated story.

This example audit reviewed a live hotel-bistro menu against a 73% food GP target. The first objective was not to change prices - it was to establish whether the existing costing information could be trusted.

1	COSTING INTEGRITY	Legacy summary figures did not always agree with the detailed recipe lines.
2	FALSE ALARM FOUND	The lamb main looked weak until the actual 160g cooked portion and production yield were verified.
3	REAL LEAK FOUND	Salt & pepper squid moved from an apparently healthy result to about 62% GP when the detailed cost was used.
4	QUICK WINS	Small extras such as onion rings and seasonal greens showed avoidable margin leakage.

Commercial conclusion: The audit did not simply label expensive-looking dishes as bad. It corrected two opposite errors: one dish had been made to look worse than it really was, while another had been made to look substantially better.

Sales-data limitation

POS sales mix was not included in this demonstration. A full MPA adds units sold, total GP contribution and annualised financial impact so actions are prioritised by pounds, not percentages alone.

AUDIT METHOD

We verify the inputs before we judge the output.

A menu GP spreadsheet is only as reliable as the recipes, portions and purchase prices feeding it. Chef Office uses a simple audit sequence designed around real kitchen production. Confidence is shown separately so an estimate is never presented as a verified fact.

01	**Menu & selling prices**	Confirm the live menu, current gross selling prices and the client GP target.
02	**Recipe & portion check**	Match every item to the recipe actually being served, not an old spec or an assumed portion.
03	**Supplier cost check**	Use current invoices where available and clearly mark estimates or historic price data.
04	**Net-sales GP**	Remove VAT where applicable before calculating food GP.
05	**Integrity test**	Cross-check recipe-line totals against summary sheets and flag formula or data mismatches.
06	**Commercial action**	Recommend price, portion, ingredient, supplier or menu changes only after the costing is trusted.

TRAFFIC-LIGHT AND CONFIDENCE RULES

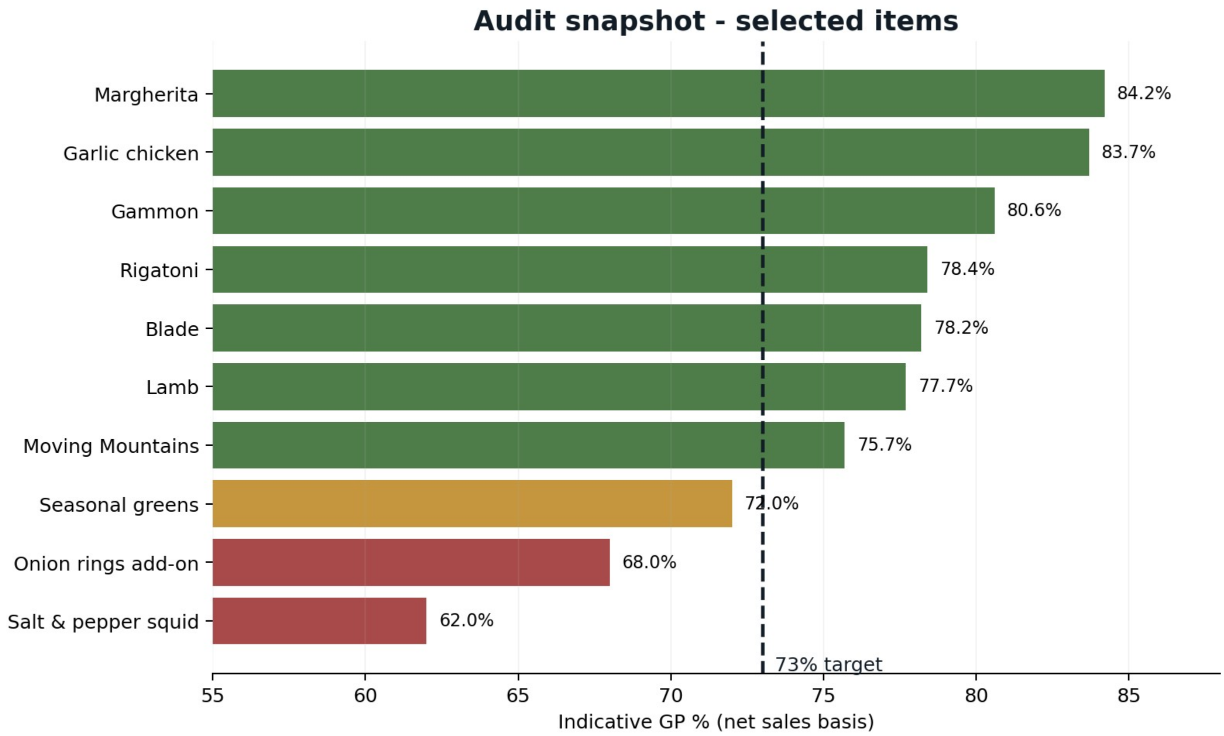
Rating	Definition	Meaning
GREEN	GP at or above 73%	Meets the stated target on the current working cost.
AMBER	70.0% - 72.9%	Close to target; review price, portion or component cost.
RED	Below 70%	Material gap to target; prioritise for action.

AUDIT SNAPSHOT

Selected live items - indicative profitability after integrity checks

These figures are shown on a net-sales basis. They are an audit snapshot, not a replacement for live purchasing controls. “Medium” confidence means at least one supplier price or component still needs refreshing.

Item	Sell	Cost	GP	Status	Conf.	Action
Margherita pizza	£16.00	£2.11	84.2%	GREEN	Medium	Maintain; refresh supplier costs.
Garlic & herb grilled chicken	£18.00	£2.44	83.7%	GREEN	Medium	Strong margin; portion-control lock.
8oz gammon steak	£18.50	£2.99	80.6%	GREEN	Medium	Healthy baseline.
Chicken & chorizo rigatoni	£18.00	£3.24	78.4%	GREEN	Medium	Healthy; refresh chorizo/sauce cost.
Feather blade of beef	£24.00	£4.35*	78.2%	GREEN	Medium	Verify current garnish and jus cost.
Pressed lamb shoulder	£25.00	£4.64*	77.7%	GREEN	Medium	No price rise indicated by old costing.
Moving Mountains burger	£19.00	£3.85	75.7%	GREEN	Medium	Maintain; verify current build.
Seasonal greens	£4.50	£1.05	72.0%	AMBER	Medium	Consider £5.00 or reduce portion cost.
Onion rings add-on	£4.50	£1.20	68.0%	RED	Medium	£5.50 or portion/cost review.
Salt & pepper squid	£9.50	£3.01	62.0%	RED	Medium	Immediate spec/portion/price review.



*Working cost: current production was verified but at least one supplier/component cost remains provisional.

What the snapshot tells us

Most selected items are not asking for a price rise. The immediate value is in correcting bad data, fixing the red items first, and then using POS sales mix to rank actions by total contribution.

DEEP DIVE 01

Lamb shoulder: a “problem dish” that was actually a costing problem

The legacy recipe assumed 350g raw lamb per main course. Actual production was approximately 160g cooked pressed lamb per portion. The same batch also generated saleable rillettes and lamb-and-mint croquettes from trim, so treating all trim as waste would overstate the main-course cost.

View	Dish cost	GP @ £25	Interpretation
Legacy assumption	£7.00	**66.4%**	Would trigger a price/portion intervention.
Rebuilt working cost	£4.64	**77.7%**	Meets target; verify shoulder price on next invoice.

Result: +11.3 percentage points of GP simply by correcting the portion/yield assumption before taking commercial action.

WORKING PLATE COST

Component	Cost	Audit note
Pressed lamb shoulder - 160g cooked	**£3.20**	£14/kg provisional shoulder price; 70% cooked yield.
Potato pavé	**£0.26**	40-portion batch; potatoes, butter, garlic, thyme, oil.
Pea & mint purée	**£0.50**	70-80g portion; peas, butter, stock, mint, lemon.
Glazed baby carrots	**£0.38**	Chantenay-based working portion and glaze.
Rosemary lamb jus	**£0.30**	Working allowance; bones/trim not double-counted.
TOTAL	**£4.64**	**Indicative working cost.**

Commercial recommendation

Verify shoulder £/kg on the next invoice and keep the 160g portion controlled. No price rise is indicated by the rebuilt costing.

DEEP DIVE 02

Salt & pepper squid: the spreadsheet said "healthy"; the recipe lines said otherwise

The legacy GP summary used a dish cost of £1.83. The detailed recipe lines contained approximately £2.56 of squid plus £0.45 of garnish - about £3.01 before any later supplier movement. The summary therefore understated the working food cost.

View	Cost used	GP @ £9.50	Result
Legacy summary	£1.83	**76.9%**	Appears above target
Detailed recipe lines	£3.01	**62.0%**	Materially below target

Swing: -14.9 percentage points. At a £3.01 food cost, a pure pricing solution would require roughly £13.36 gross just to reach 73% GP - which is why Chef Office would first test the portion, product specification and supplier cost instead of automatically adding nearly £4 to the menu price.

SMALLER LEAKS THAT ARE EASIER TO FIX

Item	Sell	Cost	GP	Action
Onion rings add-on	£4.50	£1.20	68.0%	Target-equivalent price £5.33. Consider £5.50 or reduce the add-on portion.
Seasonal greens	£4.50	£1.05	72.0%	Only slightly short. £5.00 would create headroom and is operationally simple.
Smoked salmon ciabatta	£10.95	£2.59+	≤71.6%	Old cost already sits below target before the current ciabatta/horseradish build is fully added. Re-cost first.

Why this matters
The value of an MPA is not "put all the prices up". It is finding where the numbers are wrong, where the specification is wrong, and where a small operational change protects more margin than a blunt price increase.

PRIORITY ACTION PLAN

What the client would do next

A full Chef Office MPA ends with a short, ranked implementation plan. Actions are chosen for commercial impact and operational practicality, not just the lowest GP percentage.

Priority	Area	Action
HIGH	**Salt & pepper squid**	Re-weigh the actual service portion; verify current supplier £/kg; rebuild costing; then decide portion/price/spec.
HIGH	**Smoked salmon ciabatta**	Complete current recipe costing including ciabatta and horseradish crème fraîche before retaining the £10.95 price.
HIGH	**Costing controls**	Make detailed recipe totals the single source of truth so the summary cannot drift from the underlying lines.
MEDIUM	**Lamb shoulder**	Verify shoulder £/kg on next invoice and record batch raw weight, cooked pressed yield and trim recovery.
MEDIUM	**Onion rings add-on**	Move to £5.50 or reduce the add-on portion/cost.
LOW	**Seasonal greens**	Move to £5.00 at the next menu update or trim portion cost slightly.

WHAT A PAYING CLIENT RECEIVES

- Executive summary and menu-health overview.
- Dish-by-dish costing and GP table with confidence ratings.
- Costing integrity checks - recipe totals, VAT treatment, portion and supplier-price verification.
- Priority action plan showing what to change first and why.
- Menu-engineering and total GP contribution analysis when POS sales data is supplied.
- Review call to walk through the findings and agree practical next steps.

With POS data

The next layer would rank these recommendations by units sold and total GP contribution. That turns “this dish is below target” into “this change is worth approximately £X per month / £Y per year”.