

Table 8.4 Income and Expense Statement of Restaurant Blue for the Month of September 20xx

Revenues	\$	%
Food	2,437,500	65.52
Wine	544,688	14.64
Beer	410,156	11.02
Liquor	262,500	7.06
Soft beverages	65,625	1.76
Total revenues	3,720,469	100.00
Cost of goods sold		
Food	926,250	59.05
Wine	245,109	15.63
Beer	131,250	8.37
Liquor	73,500	4.69
Soft beverages	6,563	0.42
Fees & commissions	186,023	11.86
Total cost of goods sold	1,568,695	100.00
Operating expenses		
Labor	667,615	47.88
Employee benefits	477,345	34.23
Direct operating expenses	79,549	5.70
Occupancy expenses	90,280	6.47
General & administrative	79,531	5.70
Total operating expenses	1,394,320	100.00
Gross operating profit before interest, taxes, and depreciation	757,454	20.35
Food cost		38.0
Liquor cost		37.0

their efforts on making employees more productive through education, training, and technology enhancements. In response to continuing labor shortages, most foodservice operations are buying some ingredients that have been either partially or fully prepared. This allows managers to hire fewer employees and reduces culinary training needs.²⁵

Increasing employee productivity typically involves investing for future profitability. Keep in mind that recruiting, training, and retaining skilled employees, as well as equipping them with the best tools and technology, will be costly decisions. These decisions are often difficult because the paybacks in efficiencies may be more long term than immediate. Other approaches such as reminding food servers of a simple slogans such as “hands-full-into-the-kitchen and hands-full-out-of-the-kitchen” and “if you can lean you can clean” can do wonders to increase productivity and employee satisfaction.

Food Quality and Food Costs Are the Results of Effective Purchasing

As important as controlling labor costs in F&B operations is the challenge of controlling the cost of food. Therefore, just as much attention should be paid to purchasing, receiving, and storing these products as is paid to controlling labor costs. Purchasing is much