

# CHEF EXPERTISE

## Menu Profitability Checklist

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### Step 1: Run a Product Mix (PMIX) Report

- Use your Point-of-Sale (POS) system to generate a PMIX report.
  - Identify your best-selling and lowest-selling menu items.
  - Note trends in popularity and frequency of sales for each item.
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### Step 2: Calculate Food Costs

- List each ingredient used in a dish along with its cost.
- Add the total ingredient costs for each menu item.
- Divide the total cost by the menu price to calculate the food cost percentage.

**Formula:**  $(\text{Ingredient Costs} \div \text{Menu Price}) \times 100 = \text{Food Cost Percentage}$

**Example:** If a dish costs \$3 to make and is priced at \$10, the food cost percentage is 30%.

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### Step 3: Determine Contribution Margins

- Subtract the total food cost from the menu price.

**Formula:**  $\text{Menu Price} - \text{Food Costs} = \text{Contribution Margin}$

**Example:** If a dish is priced at \$15 and costs \$4 to make, the contribution margin is \$11.

- Identify items with high contribution margins and compare them to their sales performance.
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### Step 4: Categorize Menu Items

- Stars:** High profit, high popularity. These are your must-promote items.
  - Plow Horses:** Low profit, high popularity. Look for ways to lower costs or slightly increase prices.
  - Puzzles:** High profit, low popularity. Experiment with repositioning or renaming to increase appeal.
  - Dogs:** Low profit, low popularity. Consider removing these from the menu.
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### Step 5: Assess Menu Design

- Are profitable items prominently featured on the menu?
- Are descriptions clear and engaging?
- Is the menu layout clean and easy to navigate?

**Pro Tip:** Use design psychology techniques such as:

- Highlighting high-margin items with boxes or callouts.

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- Placing profitable dishes in high-visibility areas (e.g., the top-right corner of the menu).
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## Step 6: Perform a Taste Test

- Gather a small team to evaluate taste, presentation, and perceived value of top and bottom-performing items.
  - Document feedback and note areas for improvement.
  - Adjust recipes or presentations based on feedback to enhance guest satisfaction.
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## Step 7: Review Menu Pricing

- Compare your menu prices to those of competitors in your market.
  - Consider the perceived value of your offerings versus their actual cost.
  - Adjust pricing to align with market demand and maximize profitability.
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## Step 8: Conduct a Monthly Profitability Audit

- Schedule monthly PMIX reviews to identify performance trends.
  - Remove underperforming items or experiment with specials to test new offerings.
  - Engage your team in reviewing the menu's profitability to align efforts.
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## Take Action

- Highlight Stars:** Promote these items through specials, marketing, or menu design.
  - Rework Plow Horses:** Adjust portion sizes or negotiate ingredient costs to increase margins.
  - Solve Puzzles:** Use customer feedback to refine or reposition these items.
  - Cut Dogs:** Eliminate items that aren't contributing to your profitability or customer experience.
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## Need Help?

Chefxpertise specializes in helping restaurant operators maximize menu profitability through tailored strategies and actionable insights.

- Schedule a Free 13-Point Assessment:** [Click Here](#)
- Contact Us:** Visit [Chefxpertise.com](https://Chefxpertise.com) for more information.

Let us help you unlock the full potential of your menu and drive your restaurant's success!