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WELCOME

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Today we are talking about ...

- ✓ Food Service program's health
- ✓ Metrics defined
- ✓ Establishing metrics
- ✓ Making adjustments

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Program Health Evaluation

- How do you determine this?
- What metrics do you use?
- Are the metrics district defined or industry standard?
- How often do you evaluate?
- What changes are made?


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Definitions

Measurement

Metric

Indicator


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Measurement

- A way to determine a value using a commonly accepted method

Metric

- A comparison of two or more measurements that are clearly defined, repeatable and reusable

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Performance Metrics

- Indicate program successfulness
- Used as a guide to making changes
- Are evaluated over a specified time period
- Adjustments are made to achieve success

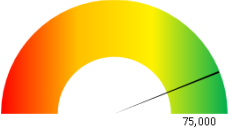
All metrics are developed by:

- Identifying what to measure
- Defining how to measure
- Establishing target goals

Indicators

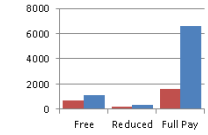
- A visual that indicates the state of the metric

Qualified Meals Served



75,000

Qualified Meals Served/Possible



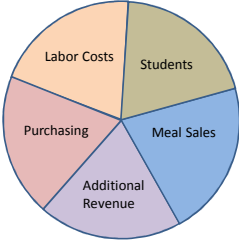
Category	Value
Free	~1000
Reduced	~500
Full Pay	~7000

- Provides decision maker with a comparison that gives perspective to a situation


Is everyone comfortable with the definitions?

Measurement | Metric | Indicator

Performance Areas



Performance Area
Labor Costs
Students
Meal Sales
Additional Revenue
Purchasing


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Working with Metrics

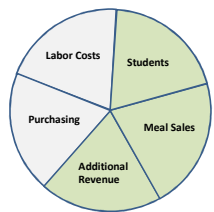
Define

Monitor

Adjust

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Revenues




Metrics

- Qualified meal vs Student count
- Sales vs Student population
- Meals served vs Meal price
- Cost / Revenue ratio
- Sales by revenue type
- Catered events per month

Adjustments

- Change serving style, serving flow
- Offerings
- New market revenue stream
- Meal and item pricing

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Revenue Example

Food Cost as % Revenue

Metric Defined

Time period 1 month
 Food purchased (protein + grocery + beverage)
 Qualified Meal Sales (reduced + paid + adult + reimbursements)
 a la carte Revenue (dollar sales)
 Additional Revenue (catering + vending + ???)
 Food Cost Goal (39%)

Calculations

Revenue = Meal Sales + a la carte Revenue + Additional Revenue
 Food Cost Ratio = Expense / Revenue

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Revenue Example

Food Cost as % Revenue

$$\left(\frac{\text{Food Cost} = \$93,797}{\text{Revenue} = \$197,101} \right) \times 100$$

Food Cost as % Revenue = 47.6%

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Revenue Example

Food Cost as % Revenue

Food Cost = 47.6% vs Goal = 39%

Is goal valid and attainable?
 Is metric properly defined?

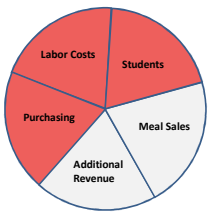
What adjustments are required to reach goal?

Adjust purchasing quantities
 Adjust production
 Improve sales

What other metrics are effected?

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Expenses




Metrics

- Cost compared to past years
- Dollars spent per category
- Just in time delivery
- Breakfast cost vs student meals
- Inventory rotation time
- Meals Per Labor Hour
- Labor Cost per revenue

Adjustments

- Change vendors
- Change business process
- Select different items
- Changes to staffing
- Change responsibilities


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Expense Example

MPLH – Meals Per Labor Hour

Metric Defined
 Time period 1 month
 Standardized on per day basis
 Qualified Meals Served (Free + Reduced + Paid + Earned + Adult)
 a la carte Revenue (a la carte dollar sales)
 Staffing hours (Total labor hours)
 Days Served
 Breakfast to lunch ratio (Industry standard is 3/1)
 Snack to lunch ratio (Industry standard is 4/1)
 MPLH Goal (23)

Calculations
 Conversion Rate = Free Reimbursement Rate + Commodity Rate
 Equivalent Meals = a la carte Revenue / Conversion Rate

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Expense Example

MPLH – Meals Per Labor Hour


(Equivalent Meals)
 Meals Served + (a la carte / Conversion Rate)
 46,511 + (\$53,150 / \$3.1475)

Avg Meals per Day = $\frac{\text{Meals Served} + (\text{a la carte} / \text{Conversion Rate})}{\text{Days Served}}$
 Days Served 18

Avg Meals per Day = 3,522

MPLH = $\frac{\text{Avg Meals per Day}}{\text{Labor Hours}}$
 Labor Hours = 161.4

MPLH = 21.82

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Expense Example


MPLH = 21.82 vs Goal = 23

Is goal valid and attainable?
 Is metric properly defined?

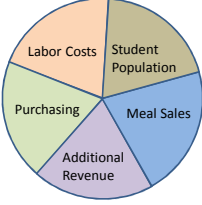
What can be done to reach goal?

Sell more product
 Reduce Staff Hours

What other metrics are effected?

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Group Discussion



What metrics do you use?

- Student Population
- Meals Served
- Inventory
- Production
- Revenue
- Catering
- Vending
- Labor costs
- Vendors

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Think Program Health

To get some ideas for metrics or for program ideas visit

www.khfoodservices.com

Click the links under Handouts

- Metrics Starter
- Program Thoughts
