



Sysco®

# INFLATION

# LIFE RAFT

THE PLAYBOOK

# INDEX

- 3** Definitions
- 4** **Key Areas to Inflation - The Menu**
- 6** Menu Engineering
- 8** Food Cost Percentages
- 10** Adapting to be Successful
- 12** Top 5 Inflation Busters
- 14** **Key Areas to Inflation - The P&L**
- 18** **Key Areas to Inflation - The Revenue**
- 20** 7 Ideas to Drive Revenue
- 22** Industry Resources
- 24** Business Solutions
- 26** BRC Youtube Playlists
- 27** Market Corner
- 28** Calculators Guide
- 30** Sysco Brands

# INFLATION **LIFE RAFT**

Inflation, like the ocean tide, ebbs and flows often and restaurant operators find themselves stranded in a sea of indecision. The rate of inflation can increase or decrease, affecting the prices of everyday goods and services. As those goods and services increase in price there is a correlation in the reduction of volume purchased.

As inflation increases, restaurant operators may experience several challenges: increased cost of goods, increased labor expenses, decreased order volume and supply chain issues. Each of these affects restaurant operations and it's important to have a plan to mitigate potentially negative financial implications. Historically, restaurants are several months behind the tide of rising inflation. But without action, they risk drowning in the increased cost that inflation brings instead of anchoring themselves in a position of financial stability.

The Sysco Business Resource Consultant Team has curated a collection of tools and resources as a life raft to help navigate the sea of indecision facing the restaurant industry during inflation. Addressing menu changes, supply chain, labor cost, and more are all outlined in this Inflation Buster Toolkit.

# DEFINITIONS

## WHAT IS INFLATION?

Inflation is an overall increase in the prices of goods or services in an economy. Over time, currency loses value and it doesn't have as much purchasing power as it once did. In other words, whatever a dollar can buy is reduced over time. Inflation can occur for a variety of reasons, like higher wages, lower interest rates, supply chain issues, or broader issues in the global economy.

### re·ces·sion

A period of temporary economic decline during which trade and industrial activity are reduced, generally identified by a fall in Gross Domestic Product (GDP) in two successive quarters.

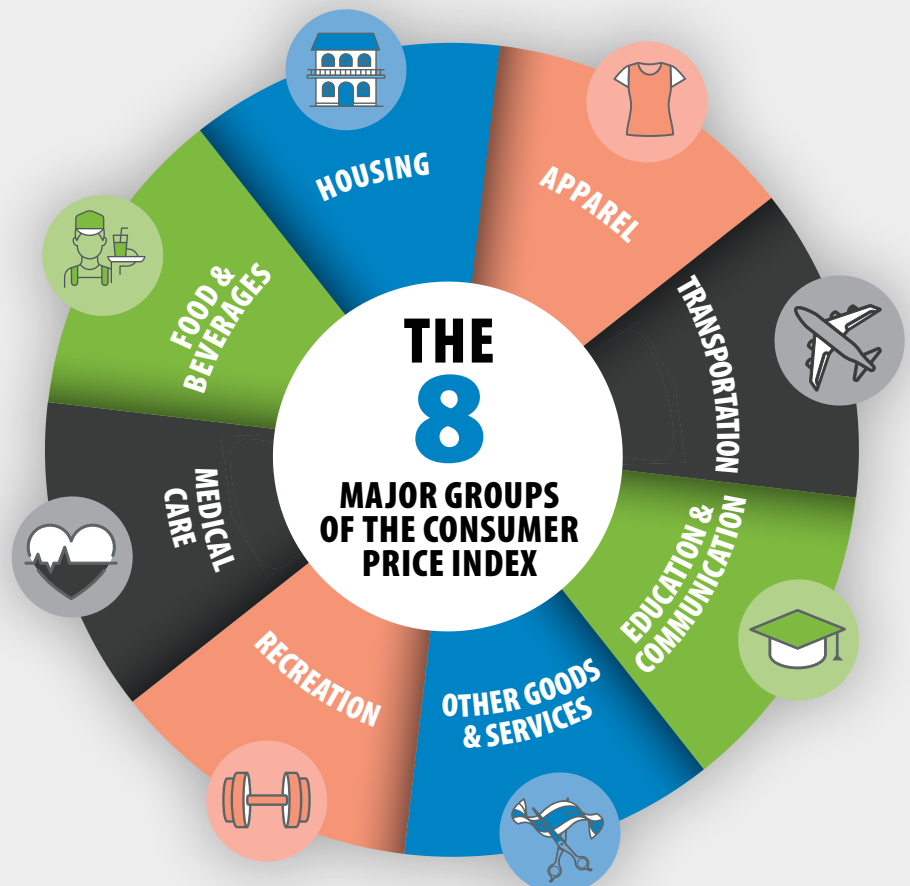
## PRODUCER PRICE INDEX (PPI)

The Producer Price Index (PPI) is an economic measurement of the average change in prices that domestic producers of goods receive for their products in a given country or region.

PPI is a metric used in economics to help define inflation rates. Previously known as Wholesale Price Index (WPI).

## CONSUMER PRICE INDEX (CPI)

Inflation rates are calculated using the Consumer Price Index (CPI) and the Personal Consumption Expenditures Price Index (PCE). Together, these data points are used to determine the rate of increase in prices over a given period of time. The two broad, general causes of inflation are "demand-pull inflation" and "cost-push inflation". Demand-pull inflation refers to situations where there are not enough products or services being produced to keep up with demand. Cost-push inflation occurs when the cost of producing products and services rises, forcing business to raise their prices.



# KEY AREAS TO MANAGE INFLATION

## THE MENU



We've all heard the old adage: the menu is the only marketing piece a restaurant produces that 100% of its guests see. Whether delivering this menu in a hard copy or a digital format, this idea reigns supreme. A restaurant's menu is an amalgamation: part expression of the brand, part summary of passions, and entirely linked to a restaurant's profitability.

There are proven and necessary steps to ensure a profitable menu, such as: knowing the costs, knowing the costs for each plate, understanding how portion size, waste, and theft can potentially impact profits, and creating a menu design intentionally featuring the most profitable items on the menu. Leveraging the power of images and gaze patterns, guests are subtly directed to these items.



One-Page Menu



Two-Page Menu



Three-Page Menu

Understanding that menu design drives a restaurant's revenue is the single biggest takeaway needed to make a menu more profitable. The next steps are leveraging the knowledge to improve digital presence and respond creatively to the challenges of inflation.

# THE LITTLE ENGINE THAT COULD

If I want a menu to be profitable, I need to...

1

## Know the Exact Portion & Cost for Every Plate Served

Last modified by W I on Jan 11 2020

### French Bread Pizza ✓

Crispy French roll smothered in ingredients, topped by tasty mozzarella cheese

SUGGESTED PRICE  
PER SERVING

**\$11.99**

INGREDIENT COST

\$2.39 per serving  
\$2.39 per recipe

% COST  
PER SERVING

19.93%

PROFIT  
PER SERVING

**\$9.60**

PREP TIME

4 min

COOKTIME

7 min

SERVINGS

1 per recipe

USED ON

+ Add to Menu

SUPC

BRAND

AMOUNT USED ⓘ

[Unit of Measure Conversion Link](#)

COST PER UNIT

[Update](#)

APPROX. COST

2498796

BBRLCLS

1 ct

\$0.618 per ct

\$0.618

## Engineer to Feature Profitable Items

3

### APPETIZERS STAR CHART



2

## Monitor Waste/Theft

**Plowhorses** sell well, but don't do as well in profit margin. Can you make these items more profitable by increasing price or decreasing cost?

**Dogs** don't produce for you at all. Do you need these items on your menu?

**Stars** sell well and they bring the highest gross profit margin. Emphasize your Stars on your menu.

**Puzzles** don't sell as well as you'd like, but when they do, the profit margin is above average. Look for ways to sell more of these items.

# IDEAL FOOD COST PERCENTAGES SHOULD BE SPECIFIC TO

YOU

For example,

We are often asked about what the “right” or “average” food cost percentage should be. The reality is that there are different food cost percentages for every cuisine type and service style.

For example, pizza restaurants and steak houses represent the extremes at 25% and 45%, respectively. Most other restaurant types operate somewhere between those two, with an average of 28-35%.

Your food cost percentage should be defined by your budget & profit goals.







## INDUSTRY STANDARD FOOD COST PERCENTAGES

**APPETIZERS**  
20% - 32%

**BURGERS**  
25% - 40%

**SALADS**  
Avg. 22%  
**W/ PROTEIN**  
30% - 35%

**STEAKS**  
35% - 45%

**PASTA**  
Avg. 18%  
**W/ PROTEIN**  
20% - 35%

**SEAFOOD**  
30% - 45%

**BREAKFAST**  
20% - 30%

**SANDWICHES**  
25% - 35%

**SOUP**  
20% - 25%

**ENTREES**  
25% - 40%

**PIZZA**  
20% - 30%

**DESSERTS**  
20% - 35%

**SIDES**  
Avg. 23%

Knowing average food cost percentages helps to strategize the appropriate response to inflation and increase overall revenue.



### SOLUTIONS CORNER

**Sysco** | Studio 

Create and design recipes and menus, as well as engineer your menu for higher profitability.

[syscostudio.com](https://syscostudio.com)

# 49%

## OF CONSUMERS BELIEVE THAT RESTAURANTS MUST ADAPT TO BE SUCCESSFUL

- Datassential 2022 Food @ Home Keynote

The pandemic has accelerated changes that were projected to occur:

- QR code downloads increased by **750%**
- **46%** of consumers used curbside pickup for the first time
- **86%** of consumers expect the food to be restaurant quality
- At least **84%** anticipate ordering more or the same amount of delivery, pick-up, and drive-through.

A ROBUST  
DIGITAL BRAND  
MATTERS NOW  
MORE THAN  
EVER!

PRO TIP

Make a guest's digital experience as seamless as possible. Streamline offerings to only those that stand up to delivery.



# TOP RECOMMENDED CHANGES

- Reduce the number of menu items
- Consolidate preparation
- Re-evaluate dishes that result in waste or requests for to-go boxes
- Use high-quality further processed items to save labor
- Implement strict portioning practices
- Re-invent dishes to command a higher price point

Hospitality Technology walks through how leading successful brands leverage the efficiency of menus in the digital world.

[Learn More](#)

**HT** HOSPITALITY  
TECHNOLOGY  
SMARTER HOTELS & RESTAURANTS



## SOLUTIONS CORNER

Establish your digital brand with



Create QR codes



Check out Sysco's Business Resources Team in action putting Menu Strategy in motion.



## PRO TIP

Identify your top 10-15 products by expense and implement strict portioning and critical item tracking



**TOP  
5**

**RECESSION  
BUSTERS**

**TO MAKE  
YOUR MENU  
MORE PROFITABLE**



### MEAL KITS

Drive revenue by offering partially prepared items to finish at home. Great opportunity to market towards busy families that are on-the-go!



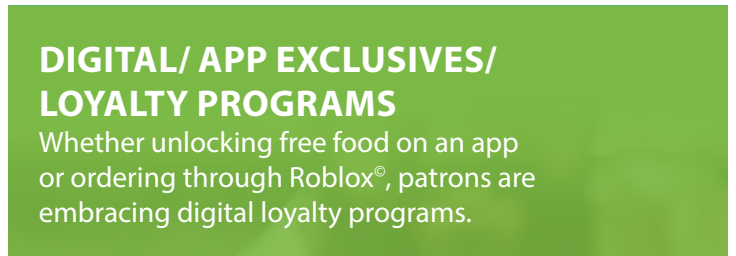
### FAMILY-SIZE

Large portions of beloved and signature options to feed 4 or more.



### UNIQUE EXPERIENCES

Ghost Kitchen, Virtual Brands, Eatertainment & Popups- Differentiation is the name of the game. Experience and exclusivity is the focus.



### DIGITAL/ APP EXCLUSIVES/ LOYALTY PROGRAMS

Whether unlocking free food on an app or ordering through Roblox®, patrons are embracing digital loyalty programs.



### ADDRESSING INFLATION HEAD ON

Restaurants are offering specials that take on inflation. Some examples are offering 80's prices or discounts billed as economic stimulus packages. Even though they are limited offers, they create a perception of fair pricing.

# KEY AREAS TO MANAGE INFLATION

THE P&L



# INFLATION

has occurred throughout history for a variety of reasons. Inflation is when demand outpaces supply, which can impact a variety of things: food prices, fuel costs, utilities, taxes, etc. Inflation at a healthy growth rate of 2% yearly is a good thing for the overall economy. However, as inflation grows beyond 2%, a restaurant's profitability can dwindle fast!





**What we have always done does not work today.**

**Why?** For years we have managed a restaurant's P&L in a rule of thirds. This is where the menu price is determined by multiplying the plate cost times three. From that menu price, typically 30% goes to Cost of Goods, 30% goes to Labor, and 30% goes to business expenses, which leaves 10% profit for the operator. In the past, we have focused on food cost and price adjustment to impact our overall P&L profitability. However, as inflationary pressures grow, we must review the entire P&L to identify opportunities to grow our profits from Revenue to the Bottom Line.

**So how can we use our P&L to help manage**

**this?** First, we must remember that a P&L is only 5 numbers: Revenue, Cost of Goods, Labor, Expenses and Profit. We must balance the COGS (Cost of Goods Sold), Labor and Expenses against our Revenue to get to our profit goal. Looking across all categories in the P&L will have the greatest impact and prevent our prices from getting so high that we are no longer marketable. Let us look at each of the 5 key elements and ways to improve them.



**REVENUE** is the number one way to improve your profits. Growing your business above where it is today will allow you to add more dollars the fastest. Creating new and innovative revenue streams such as theme nights or takeout home meal kits will drive positive revenue!

**COST OF GOODS** is typically the largest opportunity to improve by controlling waste, theft, and over-portioning. Implement processes, such as a waste-log or count-sheet on high-end product, to keep these under control. Understanding your theoretical food cost is important for you to understand and share to give a real measurement of what success looks like to your staff.

**LABOR** is best managed when it is forecasted to your business. One way to do this is to predict your business for the week, multiply by your target labor percent, which will determine your total labor spend for the week. Take that dollar amount and divide it by your average hourly wage, which will give you the total hours you have to use on your schedule.

**EXPENSES** should be reviewed monthly. This identifies where you see changes in the month-to-month expenses that may be going unnoticed. Are all your expenses necessary? Can you renegotiate your services for a lower expense?

**PROFIT** is a win when you hit or exceed your goal!

Revenue	\$ 1,400,000.00	100%	10% Increase	\$ 1,540,000.00	100%
COGS	\$ 532,000.00	38%	3% decrease	\$ 539,000.00	35%
Labor	\$ 504,000.00	36%	2% decrease	\$ 585,200.00	38%
Expenses	\$ 322,000.00	23%	Maintain expenses	\$ 322,000.00	21%
Profit	\$ 42,000.00	3%		\$ 93,800.00	6%

**Focusing on the big picture can help you to maintain your profitability. The profit you need to reinvest in your business, reinvest in your people and funds for those rainy-day events is critical to the continued success of your foodservice dream.**

**Revenue** 100%  
**Cogs** ?%  
**Labor** ?%  
**Expenses** ?%  
**Profit** 10%

# KEY AREAS TO MANAGE INFLATION

THE REVENUE



Conventional wisdom triggers two main responses during periods of inflation: raise menu prices and focus on Cost of Goods. While these two aspects are important, along with labor cost and variable expenses, they neglect one aspect of restaurant profitability that can potentially drive even greater returns to the bottom line: Revenue.

The mantra “A penny saved is a penny earned” is only partially correct within the context of a restaurant profit and loss statement. This is for two reasons:

1. Cost of Goods Sold is only one component of expenses within a P&L. A 10% increase in COGS does not translate directly into a 10% decrease in profits- in fact it's likely to make a 2-3% impact- which is still significant considering the average profit margin for restaurants is less than 5%.
2. A penny saved is likely to be lost along the way. The main drivers of food cost are actually over-portioning, theft, and waste. Simply over-portioning any protein by even ½ an ounce easily adds up to thousands of dollars per year in lost profits.

Strict controls over portioning and inventory are the most effective way to manage rising costs of goods, in conjunction with accurate menu pricing. So, if COGs is not the strongest lever to increase profits, what is?

Restaurants want to take advantage of what is known in microeconomics as ‘economies of scale’. Economies of scale are benefits realized when a business can handle greater sales volume without incurring an equivalent measure of expense. What does that look like in a restaurant? Your restaurant serves 100 covers on an average Monday. After COGS, labor, fixed and variable expenses you profit about 5% on those covers. Now, let's say you are able to increase your Monday average to 120 covers: you are still paying the same overhead as you did with 100 covers, so the only expense incurred on those additional covers is the cost of the goods. Assuming a food cost of 35% that means you are driving 65% of that revenue straight to the bottom line.

During inflationary times consumers tend to dine out less, so attracting additional diners can be challenging. However, your P&L doesn't care where the additional revenue actually comes from, just that you are generating more sales and your expenses aren't increasing dramatically. This is when savvy operators will focus on new consumer preferences and channels that have arisen during covid, like off-premise features, streamlining service, leveraging technology, and utilizing online tools to interact with customers. Internally, promoting higher margin menu items and suggestive selling can easily add 20% to a check average. Unlike the 20% growth in the above example, this added revenue is gained without increasing the number of customers walking through the door. The next two pages provide some guidance on how to drive revenue in today's marketplace.



Here are **7**  
additional  
ideas to

**DRIVE  
REVENUE**

The pandemic accelerated a variety of new experiences consumers have access to while dining out. Consumers are now reluctant to return to the past, which gives operators the opportunity to build revenue in new ways! In other words, diners will continue to dine-out, and creative operators will benefit from focusing on offering fun & unique experiences!

- 1 Sharpen Your Online Brand.** Around 90% of diners who have not visited a restaurant will make that decision based on what they see on websites, social media, and especially reviews. That's 9 out of 10. If your online Brand does not engage your potential customers, you're left with just 10% of the market to fight over.
- 2 Off-Premise isn't going away.** The National Restaurant Association estimates that by 2023, 30% of ALL restaurant orders will be eaten off-premise, whether pick-up or delivery. And the vast majority of those orders will be placed online. The ability to order online via your website is your primary conduit for capturing what will soon be nearly 1/3 of all restaurant orders placed. And no, Facebook doesn't count.
- 3 Make your Off-Premise Experience a Unique One.** Have you ever received a take-out order and wished you had dined-in? The delicious food crammed haphazardly into a 9x9 box leaving a lack-luster experience. What if we can give the experience of dining-in with our off-premise food? A few fun ideas are to include a customized playlist of music that replicates the theme of the restaurant or including simple trivia games about the community or cuisine. Include a recommended viewing list for families on Hulu, Disney or Netflix.
- 4 Speaking of Economies of Scale.** Right now the #1 demographic spending money in restaurants is Millennials, 25-40. There are a lot of new homeowners, one or both are employed, and they have young families. Ordering for a family online can prove a challenge when coordinating everyone's selections and dealing with separate menus. Why not bring back the family meals? Family style meal orders can be taken online with a time buffer for preparation. They can utilize less expensive ingredients and less packaging while providing value for the consumer. And what better way to showcase your Disney playlist and word find puzzles you created?

**5 Variety is the Spice of Life.** Another avenue for attracting repeat diners is to offer variety so consumers can try new things more often. Whether it's offering new features every day or once a week, or offering a different family style meal every day through the weekend, consumers will look forward to visiting your new website and checking out what you have to offer. Changing up your offerings is also a great way to manage ingredient shortages you might be having- especially since most ingredients that are experiencing shortages also tend to be more expensive due to demand. Market your offerings with videos and use words like 'select,' 'limited time only' and 'featured'- not "specials", which sounds like you're just trying to clean out the walk-in.

**6 Make the Experience 'Real' with Video.** Video is over 65% more engaging than still pictures alone. If 90% of new consumers are checking out your Brand online, don't you want connect with them as effectively as possible? All you need these days is a cell phone to create really good videos- use them to share unique food preparations, events at your location, community involvement, and most importantly to show people immersed in the experience of your brand. Restaurants that only use social media to show advertisements of their menu are missing the real value of social media: communicate your unique Brand experience in such a way that customers are motivated to join in. It's the Fear of Missing Out (FOMO) phenomenon, and it's a powerful motivator.

**7 Interested in Some Free Marketing?** Did you know that e-mail and text marketing remain two of the most effective marketing mediums? As we know, marketing is communicating our Brand experience; e-mail and text marketing support our efforts by keeping our Brand top of mind so when we are making dining decisions we gravitate toward the Brands that are familiar and fresh in our memory. And both are opt-in; in other words everyone that receives our communications does so because they want to hear from us. They are already interested in our brand- all we need to do is give them what they want. E-mail marketing is ideal for regular updates on events, menus, community highlights, and other relevant topics that give our Brands depth and strengthen connections with our advocates. Text marketing is great for steering decision making at key intervals: over 70% of dining decisions are impulse decisions- you want your Brand on their mind when those decisions are being made. In other words, a text before the lunch hour during a weekday, or Friday afternoon going into the weekend with a teaser about what your establishment is featuring, or a link to a coupon that can be redeemed. [Popmenu](#) includes these tools in every website they build, and you can send as many emails and texts as you like...for free.

**Regardless of the overall economy, two things are for certain:** the American consumer will continue to dine away from home, and they will continue to crave a satisfying experience. All businesses, restaurants included, need to insure their financial house is in order. But more than ever there is a real opportunity to stand out from the competition and create an experience that will continue to generate additional revenue long after inflation has disappeared from the headlines.



# INDUSTRY RESOURCES

## [Datassential](#)

### [Trading Economics](#)

- [US Food Inflation](#)
- [Producer Price Inflation](#)
- [Producer Price Changes](#)

### [Bureau of Labor & Statistics](#)

- [Producer Price Index Detailed Report](#)

### [National Restaurant Association](#)

- [Restaurant Performance Index](#)
- [Economic Indicators](#)

### [CPI Inflation Calculator](#)



There are many different platforms to choose from when looking for information on inflation. We have listed a few below to help you make informed decisions within your business when it comes to inflation.

The Trading Economics website has multiple topics that share current inflation information. This [website](#) will take you to an overview of Food inflation in the US and a summary of the current condition.

The second topic in this [website](#) shares the US Producer Price Inflation Month over Month. This helps with understanding why costs have risen. The PPI measures the cost of goods before they reach the consumer. This is the leading indicator of consumer inflation.

Lastly, [The Producer Prices Change](#) topic shares the producer inflation as a percentage.

The Bureau of Labor and Statistics is packed full of information. A few items to point out are the [Producer Price Index Detailed Report](#). Here you can dig into the PPI details on approx. 100,000 items.



# INDUSTRY RESOURCES

## Consumer Price Index Inflation Calculator

Using the CPI Inflation Calculator, you can check a 'now vs then' dollar worth based off inflation.

Insert your current menu prices and see what it should be today.

*Example: a dish priced at \$12.99 in January of 2019 should be priced at 15.28 in July of 2022.*

[CLICK HERE TO USE THE  
CPI INFLATION CALCULATOR](#)

### CPI Inflation Calculator

\$

in

has the same buying power as

in



### [The National Restaurant Association](#)

has added inflation information to its website, which will allow you to see how inflation has impacted the restaurant performance specifically. This [link](#) shares the current Restaurant Performance Index to understand the current health of restaurant sales.

You can also click on the tab to see how the Economic Indicators are affecting the Restaurant industry. Articles within this tab will share summaries on current conditions.

This information can be a lot to process, but using any of these reports to support your business decisions can impact your profitability immediately.

# BUSINESS SOLUTIONS



## Business Resource Consultants

Your BRC will host a virtual & personalized consultation with customers based on their objectives surrounding topics of concern. Discussions focused on inflation may include, but are not limited to, forecasting, menu engineering, food cost, Profit & Loss analytics, and demographic marketing. Use the QR code to book a consultation with your BRC for a personalized inflation discussion.



## Category Specialists

Our Category Specialists are experts in their field: produce, protein, seafood or others. They will identify items specific to our customers' menus that will aid them in growing revenues, while keeping costs at a minimum. Our specialists are visiting customer's kitchens every day. Reach out to your SC to get some time booked!



## Culinary Consultants

Your Culinary Consultants host in-house kitchen visits with customers to focus on cost saving in the back of the house. They feature value-added, less labor intensive and cost effective items to increase profitability. Discussions can surround back of the house efficiencies such as portion control, waste management, and inventory practices. Your SC can schedule a kitchen visit at your convenience to learn more!

**Book a virtual consultation with a Business Consultant!**





# INFLATION BUSTERS VIDEO LIBRARY

## A Quick Guide to MAXIMIZING PROFITS

While you can't control the external factors which impact the cost of goods, you can take steps to drive profitability and maximize gross profit in the most bullish of markets. We call these steps "Inflation Busters." Engage the links below to see Chef Neil talk about simple things every operator can do to stay solvent.

### INFLATION BUSTER #1



TRADE UP TO EARN MORE

### INFLATION BUSTER #2



RAISE YOUR MENU PRICES

### INFLATION BUSTER #3



USE ALTERNATIVE ITEMS

### INFLATION BUSTER #4



PORTION CONTROL

### INFLATION BUSTER #5



USE VALUE ADDED ITEMS

### INFLATION BUSTER #6



PERFORM A MENU AUDIT

# BRC YOUTUBE PLAYLISTS

Looking for something new when it comes to restaurant advice? How about an educational video series you can watch when you want to? We hear you! Now you can see and hear us, when you have the time.

## CHECK OUT OUR LATEST YOUTUBE PLAYLISTS



**Sysco Youtube home**

**Check Please Podcast** is our 30 minute roundtable discussion on the relevant restaurant topics. We're just getting started but we've laid the foundation of collaborative team discussions and special guests to share some great insight on running a restaurant. Check us out by checking into **Check Please!**

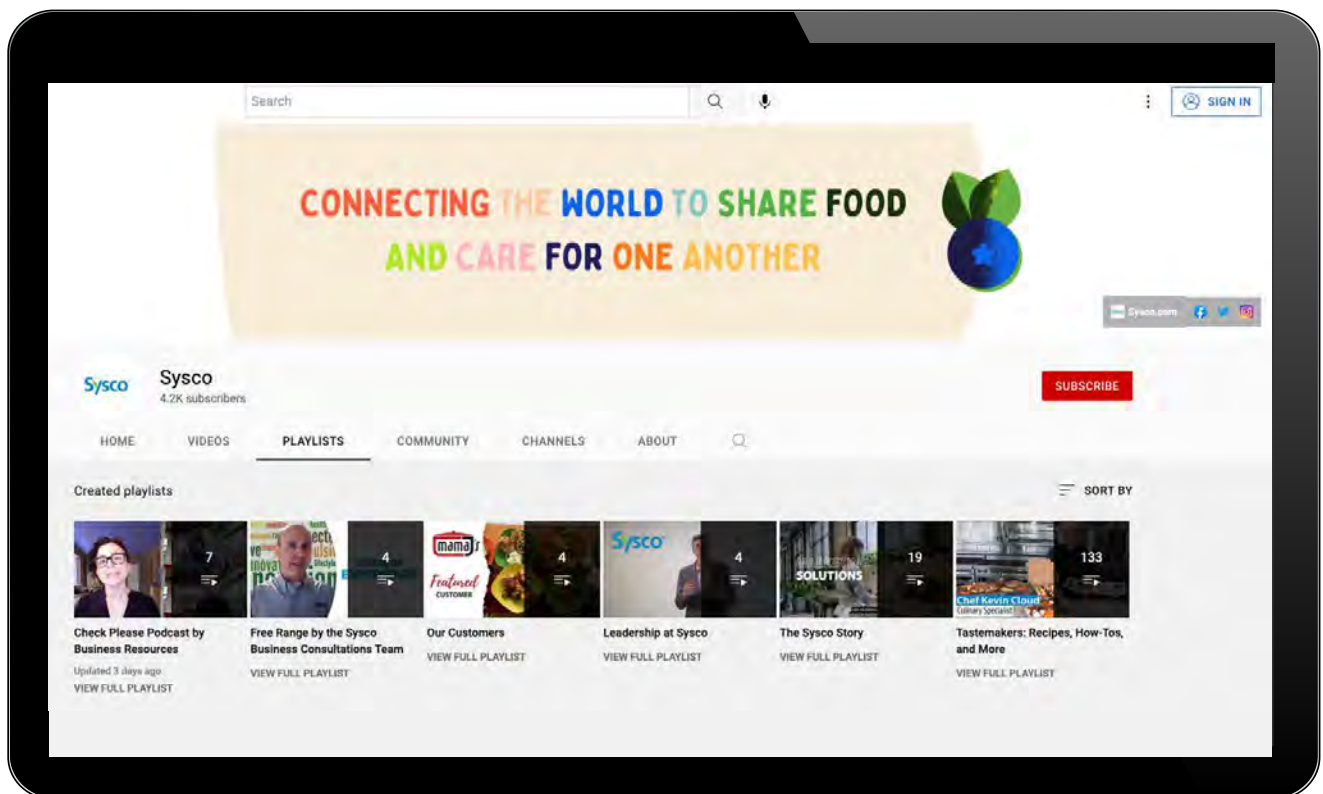


**Check Please playlist**

**Free Range** is the Business Resource team's quick-hit series of videos that are under 5 minutes and jam-packed full of informative data to help guide you through some of the familiar restaurant operational challenges. Marketing Demographics to Menu Profitability, our vloggers blend their knowledge, experience, and research to produce a well-crafted educational series to keep you hungry for more.



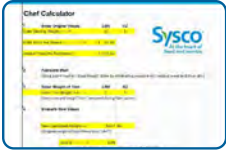
**Free Range playlist**





# CALCULATORS GUIDE

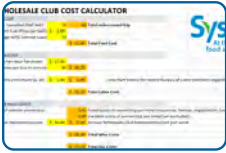
Ask your sales consultant for access to these profit building resources.



**Chef Calculator** - this calculator should be used to compare raw products that require labor to breakdown and prepare to items such as portion cut steaks and sliced or diced produce. We will need to weigh the waste associated with raw products to develop the yield ratio. This will enable us to then compare the true cost of producing the finished product and comparing it to the further processed item you are suggesting as a labor-saving product. Use this with the prep labor calculator for prime cost review.



**Yield Charts** - these simplify the process of weighing out the waste and calculating the yield ratio of usable/purchased weight and provide a general expectation of what the yield should be on each product listed. Use to create accurate Sysco Studio batch recipes and plate builds.



**Wholesale Club Cost Calculator** - What does that trip to local vendor really cost when all costs are added into the equation? Show them the value of what Sysco has to offer when the Sysco team professionally delivers quality assured, temperature-controlled products.



**Sysco Studio** - This powerful tool calculates recipe costs by updating purchase price and dialing in on portion and yield. It gives customers the power of knowledge and provides them with the ability to make smart choices on menu updates, portioning, and targeted marketing campaigns.



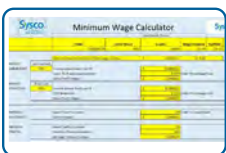
**Theoretical Food Cost (Sysco Studio)** - This is a primary Sysco Studio benefit (with the bonus of design tools). In an ideal world where there are no mistakes and everything is portioned correctly, your theoretical food cost should equal your actual food cost. In the real world, however, theoretical food cost becomes the goal that you measure your actual food cost to. Every percentage point the actual food cost is closer to the theoretical food cost puts dollars to the bottom line of the P&L.



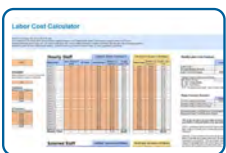
**Batch Recipes (Sysco Studio)** - Yield of the bulk recipe being created (such as salad dressing made by the gallon) is essential for understanding the cost of combining ingredients in a recipe and knowing the cost of ingredients to produce each plate. This value can then be used in plate recipes to accurately calculate plate costs of menu selections. This will enable operators to identify menu items that need price adjustments to correct the target food cost.



**Menu Profit Calculator (Sysco Studio)** - The profit calculator in Sysco Studio allows changes to menu prices to be entered so that operators can test drive the changes and know how it will affect the margins on each menu item. Volume adjustments can also be made to create hypothetical scenarios that help operators understand how decreases or increases in sales will affect overall profit.



**Minimum Wage Calculator** - This calculator will benefit operators trying to understand how the increase in minimum wage, and wages in general, are affecting their labor costs. Use this tool to manage a plan that will more effectively increase menu prices, increase sales with new marketing campaigns to offset higher pay rates, and increase operational efficiencies to reduce bottom line labor costs.



**Labor Cost Calculator** - Located in Sysco Studio, this calculator will tabulate the cost of current labor. It will allow tracking of labor costs to keep them in line with industry standards (see cheat sheet). You will also be able to predict labor cost increases for hourly and salaried employees to better understand the impact on your business as wages increase.

# CALCULATORS GUIDE

Ask your sales consultant for access to these profit building resources.



**Prep Labor Cost Calculator** - Dial in the cost of scratch made batch recipes by calculating the wages paid to prepare. This tool is useful in identifying who the productive members of the team are and who could use some retraining or reassignment. It can also be used to average the cost of prep labor to better understand the associated costs of scratch recipes beyond food costs.



**Labor Simulator** - As part of the Financial Planning Calculator workbook, this easy to use calculator provides managers with a tool to estimate what the business can afford when faced with decreasing sales forecasts. Input your labor costs and the expected decrease in sales. The calculator does the math and the result is what you'll actually be able to afford based on the predicted decline in sales.



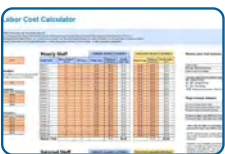
**Prime Cost Calculators** - This is perhaps the most important of all. It combines the two most costly budget items of every restaurant's P&L. Food cost + Labor cost = Prime cost. Depending on service type, it generally is targeted to run 60%-65% of total revenue



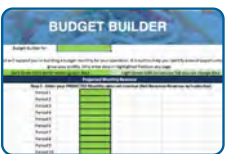
**P&L calculator** - This great Sysco tool is the culmination of data from all the other sources and calculators. It combines reporting on revenue (what is sold) and expenses (what it cost to sell). The challenge is accurate and timely recording of data such as inventory and labor costs, so operators can see if they are making money, breaking even, or losing money. Fixed costs – these rarely change but can be negotiated. An example is rent. Variable costs – food and labor costs are the big variables and operators should focus on managing these variable costs to maximize bottom line improvement.



**Break-Even Calculator** - great tool included with the P&L calculator. It calculates what amount of revenue is needed to pay the bills and keep the lights on based on operational expenses and expected sales.



**Sysco Scheduling Tool** - This great tool allows operators to schedule around employee availability and shift level needs. It also includes the Wage Impact Calculator to allow operators to calculate the impact of wage increases and come up with a plan to offset them through various operational savings and revenue growth goals.



**Budget Builder P&L Tool** - Great new tool developed for operators to start budgeting and managing to their goals. Enter the numbers and watch the magic happen. Available in Calendar and Fiscal year formats



**Weekly Tracker Tool** - Don't wait until the end of the month to see if you are on budget. This supplemental tool will help managers keep the business profitable. Use it with the Budget Builder and give managers an easy way to track revenue and expenses while proactively keeping the numbers of the P&L in line.

# BRAND COMPARISON



## A QUALITY TIER TO MEET YOUR EVERY NEED!

The Sysco Brand family encompasses a wide variety of foods, beverages and restaurant supply products, all backed by the highest quality standards and strictest oversight. Sysco Brand products are evaluated for flavor, appearance, nutrition, packaging, convenience and many other factors to make sure our customers receive the best quality and value available. Sysco's unparalleled selection of innovative ingredients and cutting-edge products connects your business to the industry-leading distribution network - keeping you stocked with the freshest products, trends, and ideas.

GOOD

— Sysco —  
**Reliance**

Sysco Reliance products offer a good value for the price. They are more consistent than other economy labels and provide a lower cost option for all types of foodservice operators.

BETTER

— Sysco —  
**Classic**

Sysco Classic products are as good or better quality than national and leading distributor brands while providing more value for the price. This extensive selection can be found in all product categories and ranges from pantry staples, fresh and frozen foods to prepared products.

BEST

— Sysco —  
*Imperial*

Sysco Imperial products stand out for the quality of their ingredients sourced worldwide and offer premium performance and exceptional value.

SUPERIOR

— Sysco —  
*Supreme*

Sysco Supreme products are the absolute finest products available in the foodservice industry. These products have unique formulations and superior ingredients.

# SYSCO BRANDS STORY

## **Sysco lives at the heart of food and service.**

With every product, and every delivery, we demonstrate our passionate commitment to the success of every customer, supplier, community and partner. To support this mission, we routinely evaluate our services and develop solutions to meet our customers' diverse needs. As a result, we have recently undertaken a large-scale revitalization to update our Sysco Brand product designs. Customers will benefit from the clean, consistent look of product names, descriptions and reorder numbers on each package. As always, each of our family of products comes backed by the largest Quality Assurance team in the industry.

## **Leading Quality. Leading Brands.**

We've built our reputation and success by focusing on quality, consistency, savings, and variety. We bring the very best to you and your customers.



# SYSCO BRAND FAMILY



## From Fresh to Finish

With Sysco, quality is assured. Our QA team consists of approximately 196 full-time corporate associates and 35 contracted inspectors dedicated to quality assurance. Through ongoing plant audits, inspections, and product evaluations, the QA team fulfills Sysco's vision of being our customers' most valued and trusted business partner by delivering products that meet the most stringent safety, reliability and quality standards. Our quality assurance program has a global presence, with products sourced from 40 countries worldwide.



# SETTING YOUR MENU APART

## Quality Assurance with Sysco Brand

These brands make no compromise in quality with a focus on superb consistency. Higher yields, quality, optimal traceability and much more ensuring our product is everything our customers deserve.



### PRODUCE

We know how important produce is to your business. In fact, produce makes up half of every plate. Every Sysco branded produce item follows rigid specifications. Food Safety and Quality Assurance follows product from field to fork.



### PROTEIN

Sysco's Specialty Meat & Seafood Group was formed to answer demand from Sysco's customers who required the highest quality portion-cut fresh steaks, chops, poultry and seafood produced in state of the art food safety conditions. Branded livestock proteins purchased from suppliers certified by Sysco and independent auditors to meet exacting and strict globally recognized standards for food safety and food quality. Our commitment to providing the best quality livestock protein products extends beyond product quality to detailed animal handling requirements in our Animal Welfare Program.



### SEAFOOD

Sysco is leading the industry in Seafood Sustainability. Today's catch is tomorrow's supply. We are committed to offering products that meet operator needs.



### PROCESSED FOODS

Processed fruits and vegetables are offered in canned or frozen forms. Processed fruits and vegetables are alternative to fresh fruits and vegetables, offering benefits of convenience, easy storage, easy preparation, longer shelf life, and year-round availability. Processed fruits and vegetables retain most vitamins as they are generally processed and packaged within hours of being harvested. Sysco is committed to delivering processed fruit and vegetable products that provide consistency and exceptional value at all quality levels.

**WINNING WITH SYSCO BRAND!**

**HIGHER YIELDS + HIGHER QUALITY = HIGHER PROFITS**







Sysco<sup>®</sup>

# INFLATION LIFE RAFT

THE PLAYBOOK

**Sysco<sup>®</sup>**  
At the heart of  
food and service

[sysco.com](https://sysco.com) | [SyscoFoodie.com](https://SyscoFoodie.com)

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