

Chapter 12 – Build Sales & Reduce Costs

One goal for the stores Manager’s is to increase sales but at the same time reduce their costs in order to take a profit gain. All SUBWAY® stores should be delivering a good service, great food, clean stores and good quality products. There are a number of steps that you can take in your store to help reduce your food costs. Two main ways in which a Shift Leader can help reduce food costs is to:

Control portioning

Staff should be regularly reminded to adhere to the proper formulas for sandwiches. Extra ingredients can make the sandwich unappealing and difficult to eat, but more importantly, they can add to your food costs and negatively affect your store’s profitability. You **MUST** ensure your staff follow the proper formulas in order to portion food accurately. You are recommended to spot check your staff each week to ensure they are portioning correctly. They should only add more vegetables or sauce when the customer asks for it.

Following proper formulas is always important to keep food costs in check and maintain good profitability, especially during highly successful value promotions.



Example

The number of olives in a 6” sub is 3. In this picture the customer complained as they got a lot more. The manager was also unhappy as the extra 15 olives cause an increase in food costs and ‘missing’ olives on the inventory.



Do this:

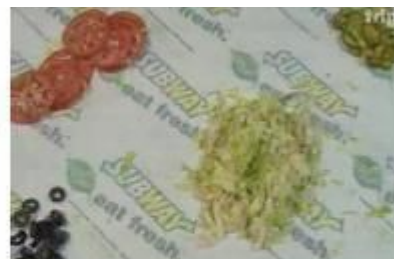


Not that:



Decrease Waste

Work with your team today to stress the importance of careful waste management. Discarded food means higher food costs and lower profits. A great training exercise to help evaluate avoidable waste is “the cutting board exercise”. In this activity, remove the waste catch under the cutting board and empty it on a piece of sub-wrap on the prep table. Count out how many olives and other veggie servings get wasted. This waste is avoidable by reinforcing the how to build standards, and training employees to practice neat and careful sandwich making.



Problem	Prevention
Improper use of formulas	Sharp slicing blade High quality products Correct setting on slicing equipment
Improper product preparation	Properly train employees Correct portioning of meats Correct slicing and counting of slices Correct portioning or usage of vegetables
Damage of food	Proper packaging Proper rotation of stock Proper refrigeration or freezing Overstocking whole or sliced goods
Employee theft	High security levels Register every product through POS system Always ring through double meat/cheese Only eat authorised and paid for food
Unused Food	Completely empty sauce/tuna containers Trim vegetables correctly Adhere to the bread baking procedures
Product price increase	N/A
Inaccurate Paperwork	Make sure all employees are filling documents in correctly in order to accurately analyse your stores performance.

When on shift you should ensure you help your manager with food costs by following the proper use of formulas, following the proper product preparation methods and not wasting food items.

Factor

This is the average selling price per unit sold. Factor is always expressed as a monetary figure. Factor is calculated as follows:

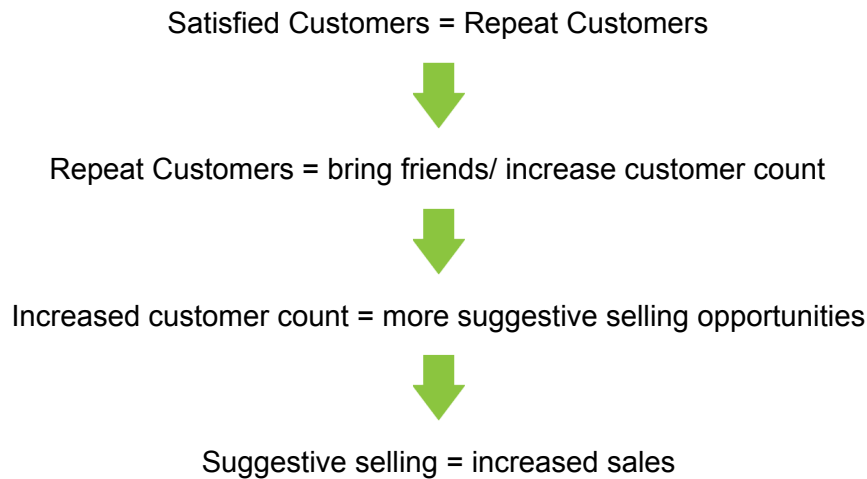
$$\frac{\text{Adj. Unit sales (actual monetary amount of all units sold)}}{\text{Adj. Units sold (actual number of all units sold)}} = \text{Factor}$$

An increase in factor allows you to increase your sales without increasing the number of customers or the number of units sold. There are 4 effective ways to increase factor:

1. Suggest double meat sandwiches
2. Suggest higher priced sandwiches
3. Suggest Footlong sandwiches rather than 6 inch
4. Suggest bacon or extra cheese as an add-on ingredient to menu items

Since increasing factor is a relatively simple way to increase sales, it is important to establish factor goals. All employees should be aware of their personal factors and the goals that are set for the restaurant.

Suggestive Selling



Suggestive selling requires staff to ask customers if they want to purchase any other items in addition to those already ordered. Suggestive selling is important because:

- Increase sales & average check
- Promotes awareness of products and offers
- Provides good customer service, and lets them know what is available.

Impact of suggestive selling

The impact of suggestive selling can be calculated by how much a sales increase per orders (e.g. cookie at 50p) could impact a store over 100 orders.

For example: $0.50/\text{order} \times 100 \text{ orders} = \text{£}50$

When a customer has 'extra' cheese/meat staff must use the Add-on Tags so the employee at the cashier knows the sub has an extra food item and can charge for it.

Employees should carefully word suggestions and be specific:

- Is that a Footlong? (at point of order)
- What kind of MEAL can I get for you today?
- Would you like to have that with a drink as part of our £3 or £3.40 lunch?
- Any snacks with that?
- Would you like crisps or fresh baked cookies with that?
- Would you like three cookies for only £1.20?
- Would you like to try that with double meat for only £ ?

Employees should advise customers of the price of any extras for example, extra bacon is 60p. If customers know the price of the extras they are more likely to say yes.

Build Sales & Reduce Costs – Question Time

1. Improper product preparation is a problem which can increase food costs. Please give one-way improper product preparation can be invented?

2. What word describes 'the average selling price per unit sold'?

3. In cases where the customer is undecided, should you suggest higher priced sandwiches or suggest the lowest priced sandwiches?

4. Why should you use an 'Add On Tag'?

5. What are four effective ways to increase Factor?

1.

2.

3.

6. What is your current store factor?

7. How can you improve it?

Trainer
Sign & date:

Trainee
Sign & date:

