



THE INVENTORY MANAGEMENT PLAYBOOK

Reducing food waste and increasing profits
with advanced inventory management

TABLE OF CONTENTS

Introduction	1
Challenges in Inventory Management	2
Why is Inventory Management Important?	4
Manual vs Automated Inventory Management	6
Choosing The Right Inventory Management Tool	8
Our Promise: What Does Foodics Offer?	9
Learn More	11



Introduction

Profitability has always been important for restaurants, and it became the lifeblood of the industry during the pandemic. The burden of government restrictions, lockdowns, and forced indoor dining closures caused restaurants to find effective ways to survive. And inventory management plays a crucial role in keeping costs minimized in a way that ensures sustainability.

Inventory management is the process of tracking anything related to the restaurant inventory, such as the amount of product ordered, ingredients coming in and out of a restaurant, what has leftover afterward, when it is time to buy new materials and product transfers between stores.

Since inventory is directly related to a restaurant's costs, managing inventory efficiently contributes to its profitability and sustainability. Your inventory management capabilities define the long-term success of your business. Effective inventory management is not an easy job. It is a complicated and time-consuming process. That is why adopting a correct inventory management approach is crucial.

This e-book will cover how advanced inventory management contributes to business sustainability by reducing food waste and increasing profits.

Challenges in Inventory Management

Restaurant inventory consists of hundreds of items, and these items directly influence a restaurant's operations. Keeping track of all restaurant inventory effectively is not an easy job. This makes inventory management a tedious process that requires a careful approach. Poor inventory management can cause problems that can damage a restaurant's sustainability seriously. The list below includes common issues a restaurant business faces when inventory management is not handled seriously.



Time

Managing inventory takes serious time, mostly when it is done by hand. This means spending your time on a lowvalue task like inventory tracking instead of more important tasks that influence customer satisfaction, profitability, and growth.

Workload

Inventory management is a laborintensive task. Keeping the inventory up to-date requires each employee to edit and update the system. The inventory volume increases the workload of employees. When it comes to tracking multiple locations, things become more difficult. This means not only a higher workload but also higher labor costs.

Waste

Although waste is a common issue for many restaurants, a significant portion of waste can be prevented with an accurate inventory management style. Inventory management helps you know what comes to your restaurant, what goes out of your kitchen, and what's leftover. So, you can avoid waste due to spoilage and dead stock.

Customer Dissatisfaction

When restaurants manage to keep providing their customers with the products they ask for, they ensure satisfaction. And this requires effective inventory management. Otherwise, running out of ingredients for one of the best-selling recipes due to poor inventory management causes customer dissatisfaction, which might even cause customer loss.





Why is Inventory Management Important?

Inventory management directly influences a restaurant's profitability and sustainability. If a business doesn't handle inventory management properly, it can lose money due to lost sales and waste money due to dead stock. When handled accurately, inventory management helps you to:

Manage Stocks

Inventory management helps you ensure you have enough stocks to meet customer demands. Thus, you can provide your customers with what they ask for on time.

Prevent Loss

Accurate inventory tracking will help you see what comes into your restaurant, what goes out of it, and what's leftover. Inventory management not only shows the flow of individual inventory items but also highlights the potential losses. This provides you full control over your inventory and helps you avoid spoilage and dead stock.



Minimize Costs

The basic goal of inventory management is minimizing the cost of holding inventory. When you store too much product at once or end up with a product that's difficult to sell, your storage costs will go up. And inventory management helps you minimize these costs.

Ensure Financial Health of Your Business

Inventory directly affects sales and expenses. Both of these elements factor heavily into how much cash you have on hand. Therefore, better inventory management leads to better cash flow management.

See the Bigger Picture

Inventory management helps you track your restaurant's day-to-day operations. Keeping everything in place and organized also allows you to see the bigger picture. Measuring profitability and preventing loss enables you to generate a long-term business strategy. By following this strategy, you can contribute to the sustainability of your business.

Manual vs Automated Inventory Management

Manual inventory management is keeping track of inventory with simple sheets instead of automated software. This is a manual process that continuously requires business owners to create a list and update it with current stock information.

For example, par inventory is among these manual methods. Restaurant owners use par inventory sheets to manage inventory by food type or food supplier. By setting levels of how much of a certain item they want, they can determine their next inventory order details.

Although this is a simple method that requires basic math and forecasting skills, it lacks crucial details such as costs and variance. Besides, managing a restaurant inventory by hand is time-consuming. Planning and designing the sheets you will use takes a great deal of time and effort.

Tracking each detail by hand also makes this method more vulnerable to human errors. Since the system doesn't provide historical inventory data and real-time updates, it becomes difficult to analyze the current situation and progress.

Automated inventory management covers using a POS system to manage the whole restaurant process. The system gives restaurants up-to-date data about their food inventory and enables them to manage stock levels accurately.

An inventory management system allows restaurant owners to gather information faster and easier. This not only lets them make smarter decisions but also increases the scalability of their businesses.

With an automated inventory system, restaurant owners can track inventory with useful metrics like actual usage. This allows them to make an accurate comparison between real usage and theoretical usage. So, they can see how their stocks move through the restaurant.

Inventory management software offers businesses an accurate way of tracking inventory. By managing restaurant inventory in an easier and faster way, restaurant owners can focus on more important areas like customer satisfaction, service quality, and overall growth.

Using inventory management software improves business efficiency through automation. But this software is not available on all POS platforms. Besides, even a POS platform offers inventory management software; it doesn't guarantee efficiency because each platform has its pros and cons. That is why business owners need to be careful while choosing a POS system. They need to make sure the system they choose has the required capabilities.



Choosing the Right Inventory Management Tool



Inventory management software can be sold both separately and as a part of an overall restaurant management solution. Each business has its priorities. This means a solution that works for one restaurant might not work for another.

While evaluating inventory management software, business owners must consider their goals and needs and then decide accordingly.

Make sure you choose an inventory management software that provides you with:

- Full control over restaurant inventory
- Automated stock updates
- Real-time stock information
- A robust solution that minimizes human error
- Reduced need for employees to track inventory
- A cost-saving tool that prevents food losses and minimizes waste
- Business intelligence with in-depth analytics
- A solid forecasting capability



Our Promise: What does Foodics offer?

Foodics restaurant management solution offers a full-fledged inventory management software which differentiates with its following features:

An End-to-End System

Foodics offers an end-to-end inventory management solution. By integrating with multiple modules, this solution covers everything from ordering to invoicing and transferring to reporting. Thus, you can automatically collect important data in one place and control everything from a single platform.

Keeping Track of Everything

Each dish will have the exact amount of ingredients and weights, and if your customers add extras and modify their dish, you can keep count on how much of your ingredients are being spent there. This will allow you to know how much to order every time.

Full Control Over Your Inventory

With Foodics you can track inventory levels from items right down to ingredients. You can stay updated by recording expiry dates, keeping track of damaged food and wasted food. You can manage mass searches with various in-depth category options. Setting alerts to get notified as soon as you are running low will also allow you to make purchase orders ahead of time.

Minimized Risks and Lower Costs

Having full control over your inventory with Foodics helps you organize internal operations like transfers between branches and minimizes potential risks like food waste and theft. Preventing possible loss enables you to reduce costs as well. While mismanaged inventory can lead to an unnecessary increase in costs, effective inventory management leads to low storage costs. Goods stored in stock over a long period may spoil, and spoiled inventory means additional costs. So, managing inventory effectively helps you prevent these costs.

In-depth Analytics and Comprehensive Reporting

Foodics inventory management software provides you with business intelligence. With the solution, you get more than 300 real-time reports. These reports can be generated on daily, weekly, and monthly bases. Having detailed reports about your operations helps you not only measure your restaurant performance accurately but also guides you toward your next steps.

A Partner, Not a Vendor

When you decide to implement a restaurant management software, it is crucial to choose the right vendor. You should reach your vendor whenever you need it, and your vendor should provide continuous support in each phase of the project. Getting the best out of a restaurant management solution requires training. So, your vendor should provide advanced training options to ensure that your team can effectively use the product. Foodics acts like a long-term partner rather than a vendor by offering you 24/7 support whenever you can reach and multiple training programs and workshops to ensure you become a pro in using the product.

Learn More

About Foodics

Foodics offers a cloud-based all-in-one restaurant management system on an iPad in English and Arabic. With multiple add-on iOS apps and building on more, thousands of restaurants, food trucks, cafes, and fast-food chains across the Middle East are hiking their revenues and building their relationships with diners.

Request a demo

To learn how Foodics can transform your restaurant business contact our sales team.

sales@foodics.com

