Menu Development

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Learning Objectives

- Be able to convey knowledge of menu development.
- Identify the components involved in the pricing of menu items.
- Recognize the way that a menu acts as another extension of the overall brand and how it helps fulfill the mission and the vision of the business.

Essential Questions

- How do I develop a profitable but manageable menu?
- How do I figure out food cost and how does it affect my pricing?
- In what ways does branding directly affect my menu?

Branding + Menu

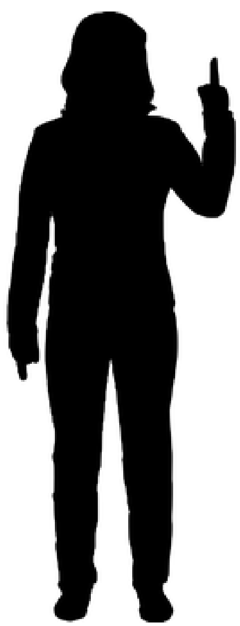
The brand you develop for your food truck should include your menu.

Why? Good branding means that the public will be able to tell what kind of food to expect. For example, burgers vs. barbecue vs. baklava!

Branding + Menu

How would you decorate a truck with these names?

What food would you expect from trucks with these names?



- Four Italian Guys
- Hammin' it Up!
- The Creative Creamery
- Jumpin' Jap Flash

Dishin' it Up!

Signature dish: a special and original recipe that identifies a chef or a restaurant; it is the equivalent of finding your personal style (usually just a few items on the menu).

Staple: food items that the majority of people like.

More Dishin' it Up!

Food trucks have limited space for storage/preparation:

- ✓ Offer a maximum of 7-12 dishes.
- ✓ Offer a couple of staple items that even picky eaters could order.
- ✓ Select recipes that share similar ingredients.
- ✓ Offer two sizes of entrées
- ✓ Vary the price point of food options (for people w/different budgets).

Food Budget

Remember, food prices fluctuate based on:

- Growing seasons (availability)
- Weather (adequate supplies)
- Fuel prices (delivery costs)

Can you think of any other reason food prices might change?

Menu Pricing

The price you see on a menu isn't a random price that the owner feels like demanding. Too high a price, customers won't come. Too low a price, the restaurant can't remain open. Restaurant owners have to find a balance. How?

- Buy food items in bulk to receive better pricing.
- Figure the minimum cost to make a menu item.
- Mark-up the minimum cost by 30% (ideal food cost percentage).

Example: A sandwich that costs $2.00 to make would be $6.66 after applying the food cost percentage. You could put it on a menu with a pricing window between $6.50-$7.00.

Methods for Pricing

1. Ideal Food Cost Pricing Method
   - Cost of raw materials / ideal food percentage.
2. Competition Pricing Method
   - Consider competitors and adjust lower (sounds like a deal), higher (relays quality), or price the same.
3. Demand Driven Pricing Method
   - Same as supply and demand; often used in sports stadiums or in unusual settings.
4. Evaluate Current Profitability
   - Promoting items that have the highest gross profit.

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