**MENU ENGINEERING**

Chefs and food and beverage managers operating in a competitive environment require the knowledge of Menu Engineering in order to maximize business potential. One of the approaches which has gained popularity is a technique known as Menu Engineering. This technique of Menu analysis uses 2 key factors **of contribution to profit** and **contribution to sales/popularity**.

|  |  |  |
| --- | --- | --- |
| High contribution to sales (High) | Plough Horses  | Stars |
|  (Low)  | Dog | Question mark (puzzles) |
|  (low) Contribution to profits (high) |

1. **Stars**

These are items with high popularity and high profit contribution. High visibility is maintained on them and the standard of such dishes must be strictly maintained.

1. **Question marks (Puzzles).**

These are exactly that. These contribute high profits but have a lower Menu visibility / popularity than stars

1. **Plough horses**

These are dishes of high popularity but the profit contributions are low.

1. **Dogs**

These are the worst items on the Menu. Their contributions towards sales and profits are low.

**STRATEGIES**

1. **Stars**
2. Modify price slightly upwards or downwards.
3. Maintain and if possible continue improving on the standards.
4. Do nothing.
5. **Question marks / Puzzles**
6. Promotion
7. Modify price downwards slightly
8. Rename the dish
9. Re-position the dish on the Menu
10. Do nothing
11. **Plough horses**

These are dishes with high popularity but profit contributions are low.

1. Modify the price slightly upwards
2. Modify the qty.
3. Reduce the dish cost by modifying the recipe or using cheaper commodities
4. Do nothing

1. **Dogs**

These are dishes of low popularity and low profit contribution.

1. Reposition on the Menu
2. Promote the dish with a star.
3. Rename the dish to capture those who may not understand it.
4. Replace the dish with another selling one.
5. Do nothing
6. Redesign dish.
7. Eliminate it from the Menu.

**LIMITATIONS**

1. **Elasticity of demand**

One of the practical difficulties with price level adjustments is not knowing about the elasticity of demand. The effect of demand on any change in the general level of Menu price is usually uncertain. There is also an additional problem of cross elasticity of demand where the change in demand of one commodity is directly affected by the change in price of another.

1. **Labour intensity**

In Menu engineering another critical element to be considered is labour cost. Labour is expensive in banqueting/function catering.

1. **Shelf life**
2. **Perishability**
3. **Seasonality**