

# How Food Waste Tracking Helps Restaurants Boost Profitability



Food waste tracking can help you boost the profitability of your restaurant by allowing you to see the food products that are wasted, which in turn pinpoints areas of improvement that you can target in your establishment.

Food waste itself is edible food that is thrown away due to it going past its expiration date ([1](#)). The scale at which this occurs is massive, so massive in fact that it has a noticeable negative effect on the environment. It is also the cause of thousands in losses for businesses.

This article will review the effects of food waste on the environment and your restaurant, and the ways you can combat these negative effects via tracking the waste.

## The Effect of Food Waste on the Environment

The effect that wasted food has on our environment is huge. Although it may seem like you are just throwing away a few bags of spoiled products, it adds up when you consider how many other restaurants and individuals are doing the same.

One of the most surprising statistics is that, according to the EPA, one-third of the food made in the United States is never eaten, which is *133 billion pounds of it* (2, 3). This makes it the most common material in landfills, taking up 24% of the waste stored in them (2)!

This food, which rots in the landfills, emits methane gas. In 2017, this equated to 14.1 percent of methane emissions in the US (3), which is not good as it contributes to global warming. All in all, this is a major problem that needs to be fixed, and restaurant owners are some of the best people to lead the charge.



As you can see, wasted food has a very negative effect on the environment. As so many businesses are taking an environmentally conscious approach, implementing a restaurant waste log is a great move for your restaurant.

## Major Profit Losses for Restaurants

Another major issue, and an issue that some may see as more important, is the effect that food waste has on restaurant profit margins. At the end of the year, those that lack a food tracking log will see a major loss of profit.

According to a study from the International Journal of Applied Management and Technology, “4% to 10% of food purchased by restaurant leaders never gets to the consumer, totaling approximately \$1000 of the company’s revenue per 3.3 lbs. of food waste (4).” So, even if you are only throwing away 3.3 pounds of food *a month* that will equal \$12,000 in losses for your establishment. In addition, about 31%-40% of the food that is served ends up going to waste.

Looking at the US restaurant industry, this equates to over \$150 billion in losses. So, as you can see, waste deals a major blow to both the environment and the profitability of restaurants.

Although these statistics can be quite depressing, there is hope. Many systems can be put in place to help ensure that the loss is kept to a minimum. These systems have also been proven to pay off over time. So, whether you are looking to save the environment, your profit margin, or both, you will want the knowledge of these systems so you can implement them in your restaurant!

## Ways to Reduce Food Waste in Your Restaurant

Since you are looking for ways to reduce waste in your restaurant, there are several measures that you will want to take to achieve this. Below, we will go over a few ways to reduce waste so that financial loss is kept to a minimum.

### Properly Train Your Staff

One of the best things that you can do to reduce waste is properly training your staff so that they know the correct measures when it comes to handling food ([5](#)). A major contributing factor to waste in restaurants is improperly prepared food. Make sure to train your staff on aspects of preparation such as:

- Proper storage
- Expiration dates
- Proper labeling systems
- Correct handling of food
- Train them on FIFO procedures

If you lay down a good base of knowledge in your staff, you can eliminate a decent portion of this issue from the get-go.

### Make Sure to Utilize Leftovers

Are there some turkey or chicken bones leftover after a big rush? Maybe some extra bread that was never served or even some meat that no one ordered. As long as it is uncontaminated and falls within Health Department guidelines, make sure to use these leftovers.

You can make broths and stocks from leftover bones and vegetables. If you have extra bread, have a special on bread pudding! If your chef is talented enough, they may be able to make a full entree special from the leftovers you have on hand ([6](#)).

### Use ClearCOGS to Maximize Your Restaurant's POS Data

One of the, if not the most important thing you can do to help reduce food waste is using [ClearCOGS](#). ClearCOGS, our Food Waste Tracking system, "combines POS data and proprietary machine learning models to predict what is needed and when."

With ClearCOGS, we use your POS data to deliver helpful information for you and your restaurant. You will be given automated Daily Prep Levels. You will be able to see what you need to prepare, and how much of it is needed, broken down on a per shift basis. In addition, you will be provided with daily PARs, broken down per hour, that way there is no more guessing involved. So you will cut down on wasted food and avoid runouts too!



The longer our system is in use in your establishment, the more data we will be able to gather, and the data will evolve to be perfect for your needs. With ClearCOGS, you will have clarity on the future demand of your business, improving your bottom line and helping the environment at the same time!

## How a Restaurant Waste Log Helps You

The best part of implementing ClearCOGS is that studies show that waste management systems result in a benefit-cost ratio of 7:1 (7) over a three-year period. That is, for every \$1 you spend on preventing food waste, you will save \$7 doing so!

Some other awesome money-saving facts from this study by Champions 12.3 include (7):

- “Within the first year of implementing a food-waste reduction program, 76 percent of the sites recouped their investment. Within two years of implementing a program, 89 percent of the sites recouped their investment.”
- An average of two cents were saved on every dollar of cost of goods sold (COGS).
- You can reduce an average of 26% of your food waste in one year, in three years it’s possible to reduce it by 58%.

As you can see, implementing a restaurant waste log in your business is a no-brainer. Don’t forget to use ClearCOGS too, that way, you can be even more efficient in this aspect of your business!

## In Conclusion

Food waste causes a major strain on the finances of the business and contributes negatively to the environment as rotting food waste in landfills is one of the main contributors to greenhouse gasses. But now you know the way to avoid these negative effects in your establishment!

Remember to use food waste tracking methods and systems like ClearCOGS. Then, you can keep track of the waste management in your restaurant. In the end, you will be able to only order and make what you need, cutting down on losses, and you will ultimately boost the profitability of your restaurant!