

INVENTORY MANAGEMENT CHECKLIST

Keeping track of your inventory management can seem daunting and time-consuming. However, this checklist is an easy reference tool to ensure your restaurant inventory is on track.

Key Terms to Know:

- **Sitting Inventory:** The dollar amount or item amount of inventory your restaurant has on hand.
- **Depletion:** The dollar or item amount of inventory used or sold over a specific period.
- **Usage:** The amount of sitting inventory divided by depletion over time.
- **Variance:** The difference between your calculated usage cost and your actual product cost.

Tips for Tracking Inventory

Set your business up for success with these best practices for inventory management.

Create a restaurant inventory sheet form with the following five informational rows, and fill it out accordingly:

- **Item:**
List all the things you need to accomplish service. This should include all your ingredients as well as other food-related items. Be sure also to itemize all non-food aspects like to-go packaging, cleaning supplies, service ware, and bulk beverages.
- **Unit of Measure:**
Stick to the unit of measurement that you will be using to catalog and account for each item. Not all items have to use the same measurement scale and should be listed by how you purchase the items. For example, apples might come by the pound, wholesale dairy by the gallon, and paper napkins by the case.

- **Inventory Quantity:**

Count the amount of each item-unit you have and enter that number in the inventory quantity on the form. For example, if you have 10 boxes of chicken stock, input the number 10, not the number of ounces.

- **Unit Price:**

It's essential to stay up-to-date on your pricing to gauge your sitting inventory and daily inventory costs. Be sure to enter the most current pricing for the item you are counting. If your restaurant supply store has lowered its price of hand sanitizer by \$3 a case, make sure your calculations reflect that change.

- **Total Cost:**

Calculate the total price of your in-house inventory. This will allow you to determine your average daily inventory cost, by dividing your inventory cost over your purchasing period by the number of days within that same period.

