GAAP Hospitality Training Manual
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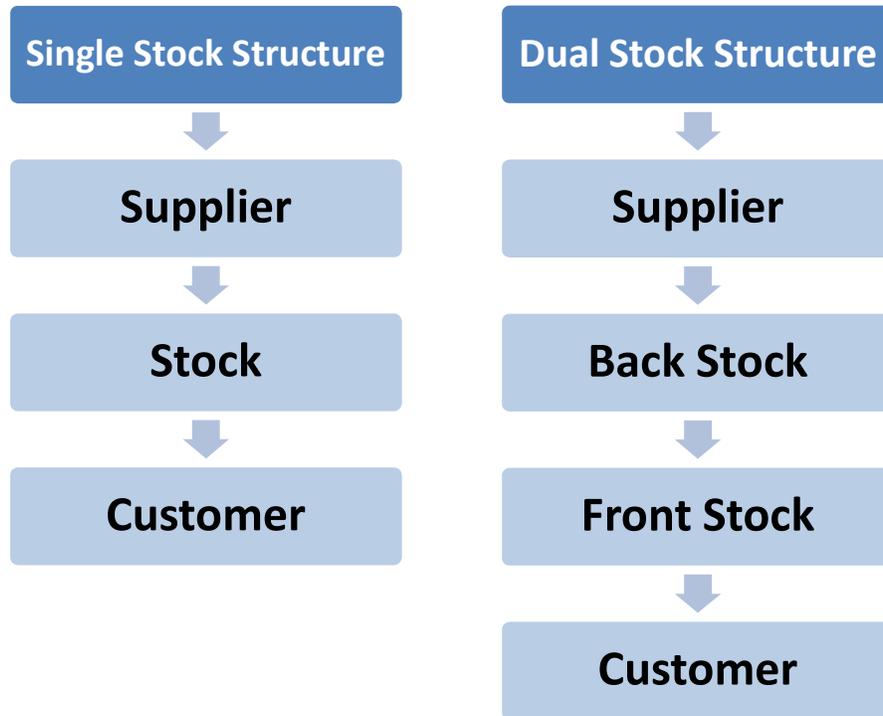
MODULE ONE – BASICS OF STOCK CONTROL

SECTION 1 - STOCK FLOW

BASIC SMALL BUSINESS STOCK STRUCTURE -

- This is typically used in a small business, such as a coffee shop, takeaway or small restaurant. The stock comes in from the supplier, gets processed and captured onto the system.

Single Stock Structure	Dual Stock Structure
↓	↓
Supplier	**Supplier**
↓	↓
Stock	**Back Stock**
↓	↓
Customer	**Front Stock**
	↓
	Customer

TYPICAL LARGER BUSINESS STOCK STRUCTURE -

- This structure is used in larger businesses, where they keep a back stock (e.g. Store room, bulk chillers) and a front stock (e.g. operating stock, front bar, kitchen). The stock comes in from the supplier, gets captured and recorded into the back stock location and then, when needed, gets issued to a front stock location.

SECTION 2 - TERMINOLOGY

Front and Back Stock - These are stock storage locations.

Stock Locations - A stock location is an area that stores stock. A bar, for example is a front stock location whereas a main storeroom is a back stock location. There are sites that have multiple front stock locations, e.g. Hotels that have two or three bars.

Issue - This is the procedure used to move items from the back stock to the front stock.

Goods Received/Receiving - This is the procedure of capturing a supplier's invoice onto the system.

Goods Received Note or Voucher (GRN or GRV) - A GRN is generated once a supplier invoice is captured onto GAAP.

Variance - A variance is the difference between the theoretical stock quantity and the actual stock on hand quantity. A negative variance is when the actual stock on hand is less than the theoretical stock as per GAAP. A positive variance is when the actual stock on hand is greater than the theoretical stock as per GAAP.

Supplier - A supplier is a party that supplies goods or services.

Unit of measure - The units used to count and purchase products (e.g. Kg, Litre, Each, Tot etc.).

Department - Departments are used for grouping like items together primarily for reporting and counting. Menu Item Departments are grouped for sales reports. Stock Item Departments are grouped for stock and purchase reports as well as for stock counting sheets. Touch Screen Departments are used for grouping sales items on the point of sale system.

Paytype - A paytype is the method of payment which is commonly broken down into cash, cheque, credit card, accounts and non-banking paytypes. Non-banking paytypes are used when the turnover is not affected, but the stock is (e.g. ringing up an item on promotions).

Stock Sheet - A stock sheet is the document we print out to count our stock on. This can also be used to record issues and manage daily preparations.

Shrinkage - Shrinkage is the term we apply to any stock shortage whether caused by accident, fraud or waste.

Menu Items - Menu items are items that are sold from the POS (point of sale) system.

Stock Items - Stock items are items that are purchased from suppliers and can be issued, manufactured, portioned and consumed.

Stock Type - Ordinary Item: Any item that is purchased and counted. Manufactured Item: A stock item that is made from other stock items (e.g. Bolognaise Sauce). Made as Needed: Is an embedded recipe (e.g. Pizza base – containing Dough, Napoli + Mozzarella). Non-Stock Item is an expense item or an item that will never be counted.

Recipes - A list of ingredients (Stock items) that get depleted when selling a particular sales (Menu) item. In GAAP we link the recipe in the menu items.

Prep screens - are the automatic messages that pop up when certain menu items are ordered (e.g. Meat Temperatures ordered as rare, medium, well done etc).

SECTION 3 – BENEFITS AND EXPECTATIONS

Stock items translate directly to sales items therefore any stock loss can be described as loss of revenue. Stock controls are put in place to minimize stock loss which in turn translates to better profits.

Stock shrinkage can be caused by any number of factors and nearly all these factors can either be prevented or minimized by accurate measures and correctly adding in data into the computer to assist you in variances and trend patterns.

SIMPLICITY

ACCURACY

Computers have the ability to make work faster, simpler and more accurate. What many don't realize is that sometimes it is not possible to achieve all three simultaneously. Simply put, accuracy may require more time. The most common trade-off is to sacrifice accuracy for speed and simplicity. In the restaurant industry a very common misconception is that having a computer is going to eliminate stock problems. Having a computer sitting in your office is not going to do anything for you unless you make the time and sit down and work on it.

The most basic use of a computerized stock system is to keep track of all stock movement and to predict what stock on hand should be. This will in turn be compared to the actual stock and the resulting variance will then need to be analyzed to determine if there are any problems in the system and what focus is required.

The computer system can also be used to do some very advanced and beneficial stock control procedures such as portion control and manufacturing. Portioning takes bulk stock items, and using the weight and portion quantity, will calculate your weight and cost of each portion. It then places these portioned items back into stock.

Manufacturing is the process of making a new stock item from a variety of other stock ingredients (items), working out the yield and placing this manufactured item back into stock. However, the reality of restaurant stock control is that the only effective stock controls will be those you have the time to do. It is important not to let your time be spent on stock management and not focus on the other aspects of your business. Proper time management, planning and balance are critical. If you don't, your business may be losing profit and you won't be the wiser.

SECTION 4 – THE SEARCH FUNCTION

When using the search function, it is important to remember that the computer does not know where to search and what to search for if it does not have accurate instructions.

The most important points to remember when using the search function are:

- Which column are you searching in? Are you searching for a department, name or number?
- Ensure that your marker is in the correct field.
- Have you used only a segment of the word e.g. "sou" when searching for Southern Comfort?
- The word may not appear in the same format as your search if your search word is too long e.g. "Chicken Breast Fillet Cubes" may just be "Cubed Chicken".
- Have you spelt the above mentioned segment correctly? E.g. you may spell "Suthern" instead of "Southern". When doing a search, type a key word segment into the "find" box.
- As you click on "Find", the computer will automatically move down the list until it reaches the end of the search field.
- If a message appears with a "No match found", check the steps above again.

Menu Items	Details	Recipe	Other Details		

No		Name	Category	Barcode	Department	
00527		Saint Vincent Wine		0	6 - WINES	
01383		SALADS		0	0 -	
01245		Saucy Burger		0	21 - BURGERS	...
01291		Sausage Basket		0	22 - BASKETS	...
00126		Savanna Dry		0	2 - CIDERS /COO...	
00127		Savanna Light		0	2 - CIDERS /COO...	
01091		Smoke Salmon & C Cheese		0	17 - SALADS	...
00609		Southern Comfort		0	8 - BRANDY /RU...	
00107		Spachson		0	2 - COLD BEVER	

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