

Applicable Metric	Action Items to Consider
<ul style="list-style-type: none"> • \$ Labor per Patient Day • \$ Labor per Meal 	<ul style="list-style-type: none"> • Review the utilization of premium pay (i.e., overtime, bonus pay, differentials, etc.) • Review skill mix – level of staff required • Perform a labor analysis to ensure staffing is appropriate for volume/hours of service – consider a zero-based schedule • Implement a variable staffing model based upon volume. • Regionality – Consider the salaries of your market vs. others (i.e., west coast salaries may differ significantly from the Midwest) • Service delivery model – room service (if you are room service and comparing to standard – labor costs might be more significant for the room service model) • Hours your operation is open and staffed • Review how your total meals are calculated (total meal, meal equivalents, etc.) • If the numbers are favorable, is it time to re-evaluate staffing levels?
<ul style="list-style-type: none"> • \$ Food per Patient Day • \$ Food per Meal 	<ul style="list-style-type: none"> • Maximize GPO contract utilization • Perform descending dollar analysis of all purchases, review opportunities for cost savings through product standardization/selection • Consolidate purchases to the prime vendor, maximize incentives (drop size, group buys, etc.) • Review ratio of items produced by convenience or from scratch cookery • Product standardization inventory consolidation • Control (access, automation, recipe, standardization, and portioning) • Waste, overproduction, over-ordering, processing • Purchasing and inventory management (storage locations, multiple vendors, contract utilization) • Menu (brand, standardization, product selection, season, regional deviation, cost targets) • Guest Meals/Catering meals are being accounted for in overall cost per meal vs. cost per patient day • Conduct a retail food cost audit
<ul style="list-style-type: none"> • \$ Supply/Other per Patient Day • \$ Supply/Other per Meal 	<ul style="list-style-type: none"> • Maximize GPO contract utilization • Perform descending dollar analysis of all purchases, review opportunities for cost savings through product standardization/selection • Consolidate purchases to the prime vendor, maximize incentives (drop size, group buys, etc.) • Review disposables vs. reusable products in operation
<ul style="list-style-type: none"> • \$ Net of Cash per Patient Day • \$ Net Cost per Patient Day • \$ Net of Cash per Meal • \$ Net Cost per Meal 	<ul style="list-style-type: none"> • Review the costs of catering, floor stock, and free meals • Retail <ol style="list-style-type: none"> 1. Evaluate retail pricing. 2. Ensure there is an appropriate item contribution margin for each item sold. 3. Ensure item food costs as a percent of sales meet the appropriate standard (must determine desired food cost %).

	<ol style="list-style-type: none"> 4. Ensure there an effective retail pricing methodology in use to cover the appropriate labor and food expenses 5. Measure food cost as a percentage of sales (Food cost / Selling price = food cost %). Consider updating retail pricing, adjusting portion size, removing from the menu, or substituting if established food cost % is not achieved. 6. Grow revenues if retail contribution margins are favorable 7. Review sales/customer count in 30-minute increments. Are you open for operations when the volume is minimal? Consider Adjustedustment in operations if net labor costs can be reduced. 8. Monitor portion sizes. Does selling price reflect the actual serving portion? 9. How often are retail selling prices adjusted? Adjust based on an established standard. 10. Consider the impact on overall discounts to the operation- are these numbers factored into the general food cost?
<ul style="list-style-type: none"> • \$ Floor Stock per Patient Day • \$ Floor Stock per Meal 	<ul style="list-style-type: none"> • Review floor stock menu offerings. • Consider standardizing to those items that are medically necessary / have a significant impact on patient satisfaction/review meal service- for example, if there is room service, is there a need for enhanced floor stock? Can any supplies be obtained from receiving? • Review the utilization of items per patient / per unit. This may indicate if the patients or others utilize floor stocks.
<ul style="list-style-type: none"> • \$ Cash Revenue per patient Day • \$ Cash Revenue per Meal 	<ul style="list-style-type: none"> • Review existing pricing models (mark-up structure). • Access (location, delivery, ease of "use") • Utilization of opportunities (maximizing off-peak or other times; upsell; bundles) • Marketing and incentives (social media, discounts (that make sense; brand promotion) • Consider pricing changes. The best practice is to gradually and regularly adjust pricing vs. significant across the board increases. Minor changes can significantly impact revenue due to volume.