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Ten strategies to take control of food costs

Crunchtime’s Andy Murdoch breaks down food cost variance and shares ten practical strategies to protect restaurant margins.

By Maida Pineda June 22 2026 3 min read



Every successful [restaurant business](#) is committed to managing profitability while delivering great customer experiences. Andy Murdoch, Vice President, Strategic Brands and APAC Sales for Crunchtime, offers solutions to help [restaurants](#) achieve both. [Booking Local Restaurants](#)

Understanding food cost variance

“Diligent restaurant inventory management and food cost control are at the heart of profitability for food service operations, actual versus theoretical,” Murdoch says. “Food cost variance is a powerful cost control methodology to help keep your restaurant food costs in check.”

“It’s really important to understand how to calculate your food cost variance,” Murdoch explains. “Theoretical food cost is what a restaurant’s food costs should be based on current inventory costs of all ingredients for the meals sold, assuming perfect portions, no shrinkage and no breakage. To calculate your theoretical costs, you need accurate recipes that include all ingredients used in each menu item, up-to-date local market pricing for each ingredient, and up-to-date sales data on each item sold.

Pinpointing where costs slip

“Once you know your restaurant’s theoretical food cost, you can compare it to your actual food cost — the real cost of the products your restaurant used during a given sales period. This factors in everything used, including waste, spoilage and shrinkage, and is determined through an accurate inventory count. The difference between the two numbers becomes your actual versus theoretical (AVT) food cost variance, which provides a true measure of efficiency in food cost control. The goal in running a good restaurant is to reduce your AVT to its lowest possible point.”

He adds: “Once the overall variance from theoretical cost is known, best practice for reducing it involves identifying individual ingredients with the largest variances by dollar volume, then analysing their use to pinpoint waste, theft or supplier overcharges.”

Here are 10 strategies Murdoch recommends to control food costs:

1. Match every purchase against the invoice to ensure accurate deliveries and prevent waste.
2. Use measuring cups, spoons and scales to ensure accurate portioning.
3. Eliminate high-cost, low-margin menu items to improve profitability.
4. Create repeatable processes to identify and track food waste, especially for expensive ingredients.
5. Monitor customer food waste and adjust portions as necessary to reduce it.
6. Educate staff on food costs during onboarding, and provide ongoing training to reinforce proper food cost management.
7. Provide free or discounted employee meals to build team morale and reduce shrinkage.
8. Purchase food supplies in bulk where available to take advantage of lower costs.
9. Conduct regular pricing reviews with vendors to maintain strong relationships and ensure competitive pricing.
10. Know what tools you need to determine AVT food cost, including accurate pricing, inventory counts and waste tracking.

To achieve accurate tracking of inventory, pricing and waste, restaurants can benefit from working with companies like Crunchtime, which specialise in technology solutions for inventory management and operations execution. [Tracking Physical Assets](#)

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