Running a Successfful Commissary Kitchen



With a significant rise in labor costs over the last few years, many restaurant operations have placed an increased focus on ways to reduce food costs and costs of goods sold (COGs). Much of this comes through strategies like exploring vendor alternatives, altering recipe ingredients, overhauling inventory practices, and menu engineering. Another, that is sometimes overlooked, is **the implementation of a restaurant commissary.**

Read on to learn more:



A restaurant commissary is a central facility where various recipe items are prepped to support multiple restaurant locations. It plays a crucial role in maintaining consistent quality, efficiency, and cost-effectiveness across different branches. To help you establish and manage an effective restaurant commissary, this comprehensive guide will answer the basic questions of running a commissary kitchen as well as best practices should you decide to do so.

Many commissaries are commercial kitchens that are rented out at an hourly rate. Catering companies, ghost kitchens, food trucks, and even some personal chefs typically use this model. Restaurant businesses running multiple locations, however, will typically allocate one of their existing locations as their commissary kitchen.

Commissary facilities can also support product distribution from vendors internally. Many commissaries purchase food & beverage product in bulk from the vendor and act as a centralized hub for inventory and storage, reducing COGs (cost of goods sold). Commissary allows restaurants to take advantage of bulk pricing, which is less expensive than each restaurant location ordering their own product. It also reduces shipping fees, with vendors delivering all product to one location, allowing other restaurants to order product from commissary instead of the vendor, through your restaurant management software.

For the restaurant model, a commissary kitchen is generally not valuable if you run a single location. But if you're running a multi-location operation, **there are two questions you need to ask yourself when considering commissary as an option.**

1. **Do you have enough volume to be prepped to make commissary worthwhile?** A successful commissary kitchen does not prep one or two items. It is a central operating hub where you prepare a variety of items like sauces, soups, side-dishes, desserts, and so on.

2. **Do the labor savings justify running a commissary?** One of the biggest benefits of a commissary kitchen is the reduced labor hours by centralizing food prep in one location under one team. The alternative is having employees at every location performing the same prep. The more locations you have, the more beneficial a commissary kitchen becomes to reducing your labor costs. Restaurant management software makes it easy to identify the changes in your labor hours and the financial impact to your business.

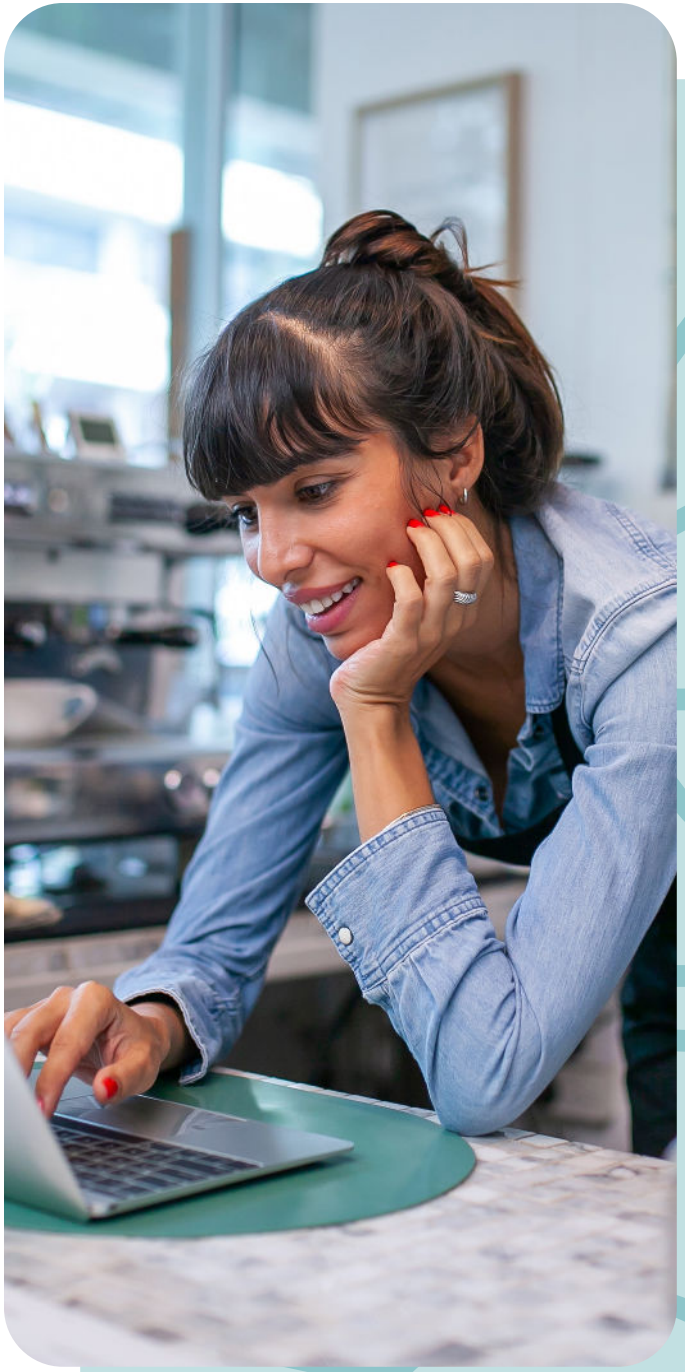
There are other benefits to making the switch to commissary. Some of these include:

Ensuring consistency in your product: There will always be slight variations in how different teams prepare recipe items. These differences can contribute to added food costs and inconsistencies in dishes. In a commissary kitchen, those inconsistencies are removed, with the same group of employees prepping items for all your locations.

Reducing storage, equipment, and space: A commissary kitchen reduces the need for equipment and inventory at each location. And raw ingredients take up much more space in your walk-in than a fully prepped item.

While the benefits of commissary are high, they are not without added overhead. You'll need to assign a strong kitchen leader, the most crucial role in commissary success. This employee coordinates between locations, manages demand, oversees prep, and manages inventory. In addition to a kitchen leader, you'll also need a full kitchen staff that performs commissary prep, generally full-time.





Software also plays a crucial role in commissary. **You'll need software that manages recipe costing, COGs, and inventory.** This software will need to be implemented across all locations. This allows you to update pricing, ensure recipes are up to date, manage demand, and track inventory. It also ensures up-to-date, accurate recipe costing to track the product value being transferred to each location. Since prepped items include a variety of ingredients, and as prices fluctuate, restaurant software allows you to shift the value from one location to the next. It allows you to accurately allocate what revenue center pays for their share of your commissary operating costs. Some restaurant management software will also allow you to track labor costs, and easily see labor trends before and after implementing your commissary kitchen.

Now that we have an accurate depiction of running a commissary kitchen and it's benefits, **let's look at some of the best practices when considering opening a commissary kitchen of your own.**

1. Location and Layout

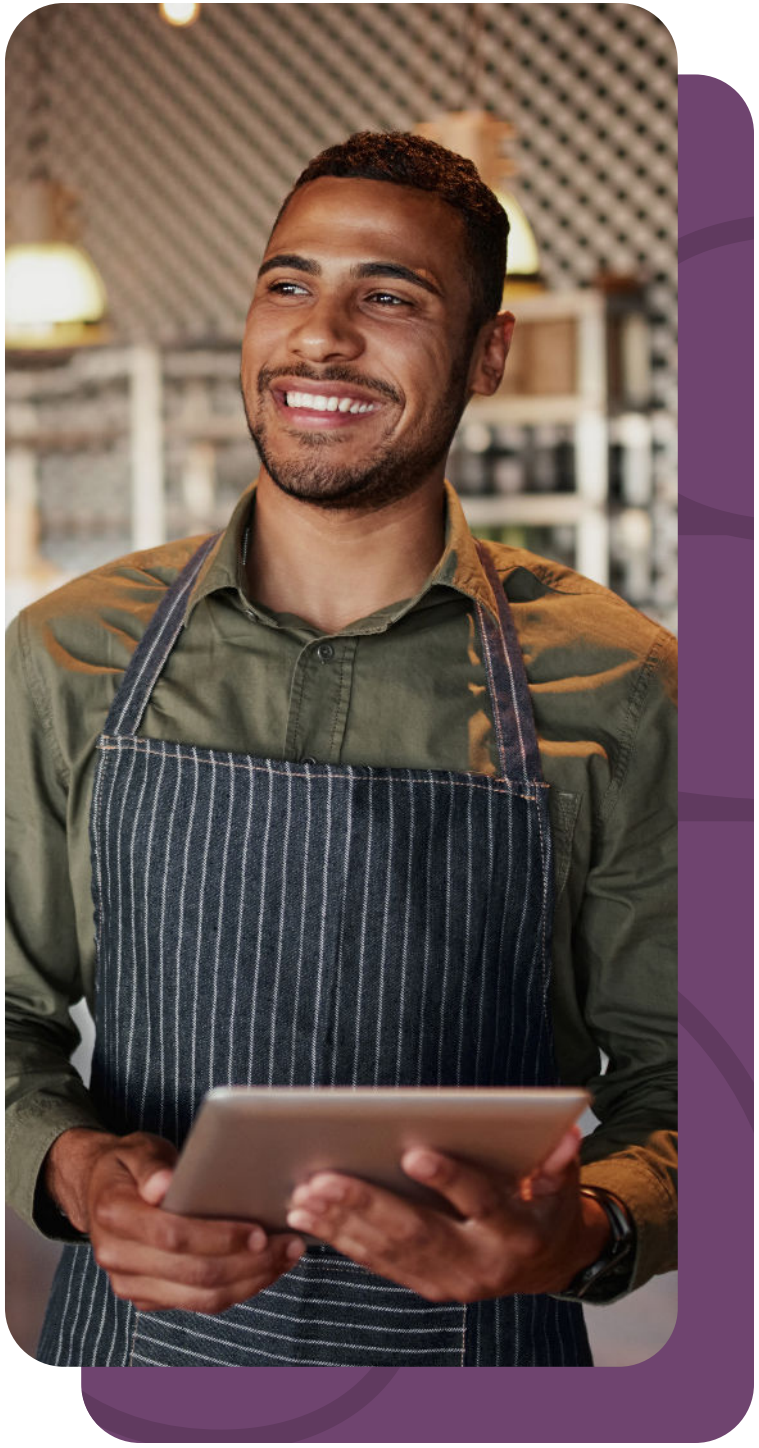
Choosing the right location and setting up an efficient layout is essential for a successful commissary. This includes the following:

- **Accessibility:** Select a location that is easily accessible to all your restaurant branches to minimize transportation time and costs.
- **Space Planning:** Design a layout that accommodates various workstations, equipment, storage, and efficient traffic flow. A location with a larger kitchen is better, as commissary prep takes up more space than a regular location.
- **Zoning:** Create distinct areas for food preparation, cooking, packaging, storage, and administrative tasks to prevent cross-contamination and ensure proper hygiene. This includes strict staff training to ensure these rules are met.

2. Quality Control

Maintaining consistent quality across multiple locations requires stringent quality control measures:

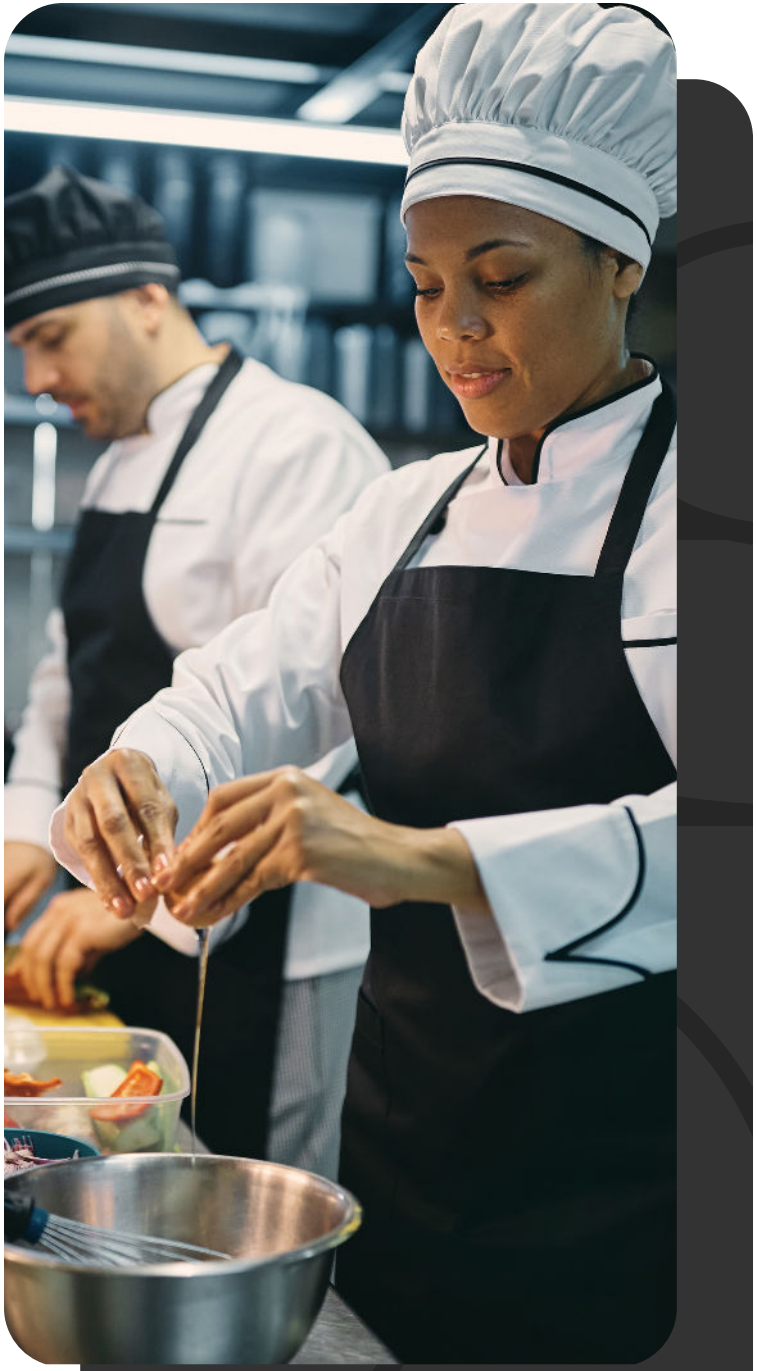
- **Standardized Recipes:** Develop standardized recipes to ensure consistent taste and presentation across locations. Again, this includes strict training of staff to make all prep easily repeatable without variations.
- **Ingredients Selection:** Source ingredients as best you can to ensure uniformity and freshness. Establish relationships with trusted suppliers and lock in vendor rates. Changes in suppliers are sometimes unavoidable as food costs fluctuate. Through restaurant management software, managers can now track these changes weekly or even daily, giving them the chance to change suppliers more quickly and save on food costs.
- **Regular Inspections:** Conduct regular quality checks on raw materials, finished products, and equipment to identify and rectify issues promptly. Implement a schedule for how often these tasks take place to ensure consistency.
- **Training Programs:** Provide training to staff on food safety, handling procedures, and quality standards to ensure uniform practices across all locations. For new employees, set this as a task in their employee onboarding through your restaurant software.



3. Food Safety and Hygiene

Maintaining high standards of food safety and hygiene is non-negotiable. Train your staff on the following protocols:

- **HACCP Plan:** Implement a Hazard Analysis Critical Control Point (HACCP) plan to identify and manage potential hazards in food production.



- **Sanitation Protocols:** Establish strict cleaning and sanitation protocols for equipment, workspaces, and storage areas to prevent contamination.
- **Temperature Control:** Monitor and maintain appropriate temperatures for both raw ingredients and finished products during storage and transportation.
- **Personal Hygiene:** Enforce proper personal hygiene practices among staff, including proper handwashing, wearing appropriate attire, and using gloves.

4. Efficient Operations

Efficiency is key to optimizing commissary operations:

- **Production Schedule:** Create a well-structured production schedule that aligns with the needs of your restaurant locations, ensuring a steady flow of supplies.
- **Batch Cooking:** Implement batch cooking techniques to minimize waste and improve efficiency in the preparation process.
- **Inventory Management:** Use inventory management software to track stock levels, forecast demand, and reduce the risk of overstocking or understocking.
- **Workflow Optimization:** Analyze workflow processes regularly and make adjustments to streamline operations and reduce bottlenecks.

5. Packaging and Distribution

Effective packaging and distribution are essential to ensure products reach each restaurant in optimal condition:

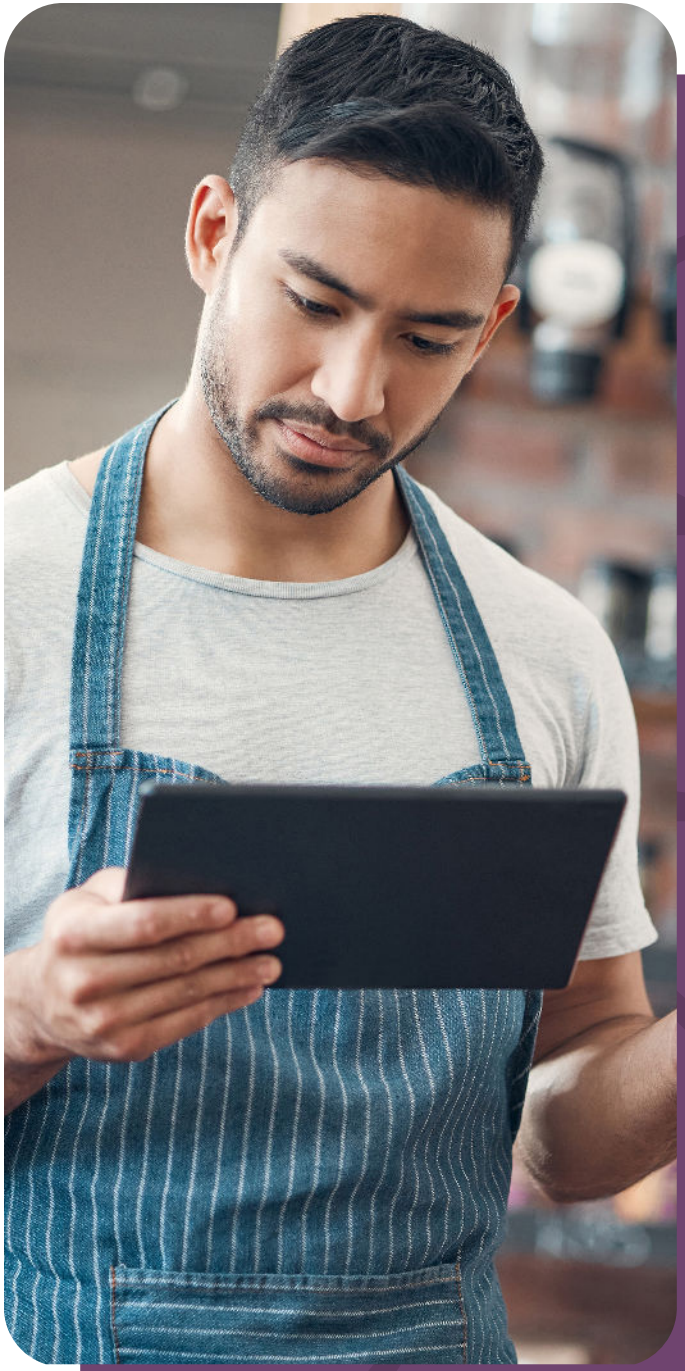
- **Packaging Standards:** Develop packaging standards that maintain the quality of food during transit and uphold presentation standards.
- **Labeling:** Clearly label packaged items with relevant information, including date of preparation, use-by date, reheating instructions, and allergen information.
- **Delivery Logistics:** Plan efficient delivery routes and schedules to minimize transportation costs and ensure timely delivery to each restaurant.

6. Communication and Collaboration

Smooth communication is vital for the commissary's success:

- **Technology Integration:** Implementing restaurant management software is imperative to a successful commissary. It not only facilitates real-time communication between the commissary and individual restaurant locations but offers a number of features to management to foster success. Tagging high-cost and frequently used ingredients gives the ability to track weekly price fluctuation and how much these items contribute to COGs. Inventory tracking features notify managers when items are low in stock, or when counts do not match, so they can investigate the root cause. Recipe costing features track individual ingredients as well as portion size to ensure employees are following your standards. These features are invaluable when running a commissary kitchen.





- **Feedback Mechanism:** Establish a feedback loop with restaurant managers and chefs to address any issues, gather insights, and make necessary improvements.
- **Collaborative Decision-Making:** Involve key stakeholders from different branches in decision-making processes that affect commissary operations.

7. Sustainability

Consider sustainable practices to minimize your environmental impact:

- **Waste Management**: Implement a waste reduction strategy by recycling, composting, and properly disposing of waste materials.
- **Energy Efficiency:** Opt for energy-efficient equipment and lighting to reduce energy consumption and operational costs.
- **Local Sourcing:** Whenever possible, source ingredients locally to support the community and reduce the carbon footprint associated with transportation.

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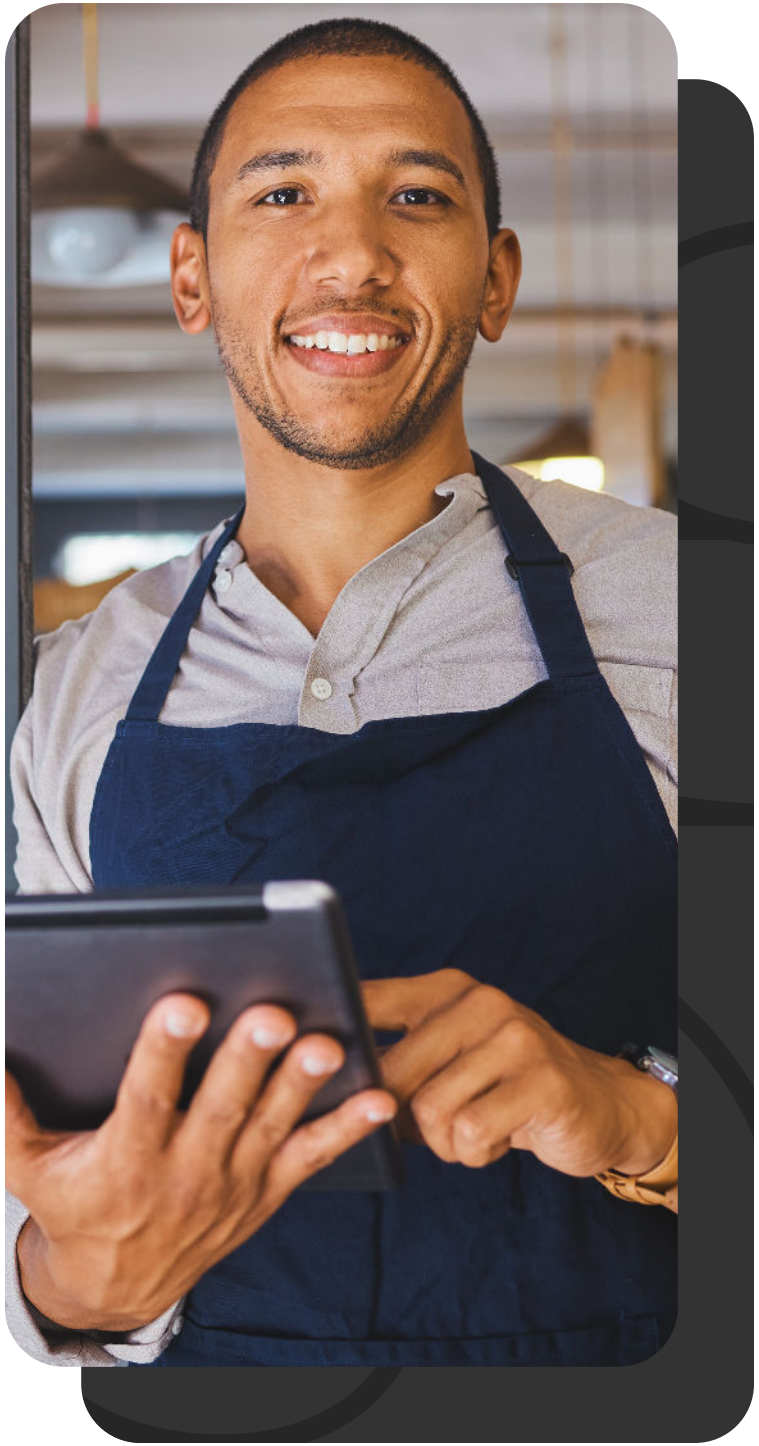
8. Continuous Improvement

A successful commissary operation is always a moving target. While recipes and ingredients change infrequently, the cost of running a commissary kitchen can be reduced substantially over time, increasing profit margins.

- **Data Analysis:** Improvements in today's restaurant management make tracking food and labor much more manageable. Managers can benefit from a number of features to analyze food cost in real-time, and make the proper adjustments to reduce costs. Tagging high-cost ingredients and frequently used ingredients gives insights into price fluctuation and how much these items contribute to COGs. Inventory tracking features notify managers when items are low in stock, or when counts do not match. Recipe costing tracks individual ingredients as well as portion size. These features are invaluable when running a commissary kitchen.

- **Regular Audits:** Conduct regular internal audits to ensure compliance with standards, identify weaknesses, and implement corrective actions. Following your audits, hold a group training session with your team to ensure your learnings are implemented by staff.

- **Employee Feedback:** Encourage feedback from commissary staff, as they can provide valuable insights for process improvement. One consideration is to employ open book management, a process that has grown significantly within the restaurant industry in the last few years. Open your financials and P&L statements to the team. Make them aware of what you're spending on different ingredients. This empowers them to find solutions to cutting costs and better processes.





Conclusion

Implementing a commissary kitchen isn't the answer for every restaurant business. Single location restaurants are unlikely to see big benefits. But multi-location restaurants can see huge cost reductions in both food costs and labor by experimenting with commissary.

The benefits go beyond your restaurant's margins. **A commissary kitchen ensures you're delivering the same product to each location, and therefore the same customer experience to those that visit any of your restaurants.** This consistency is crucial, especially to your most-valued repeat customers, who come to expect the same experience no matter the location they visit.

Establishing and maintaining a successful restaurant commissary requires dedication, attention to detail, and a commitment to excellence. **By implementing these best practices, you can create a streamlined, efficient, and reliable system that supports your restaurant locations and ensures consistent quality and customer satisfaction.**

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