

Checklist for purchasing and suppliers: 18 errors that cost money

 By **Diego F. Parra** · Updated 2026-09-27 · Costing & Finance

MASTERRESTAURANT®

Checklist

Checklist de compras y proveedores: los 18 errores que cuestan dinero

Método probado en +8.400 restaurantes · 43 países

costorestaurante.com

QUICK VERDICT

Purchasing and suppliers is the most direct lever for food cost. Without receiving audit, without half-yearly renegotiation and without updated theoretical cost, margin collapses silently. This checklist tells you what to measure every day and how much you lose if you ignore it.

✓ **Checklist** Actionable checklist with a measurable “done” criterion per item · 18 min read · 2026-09-27

Average food cost in a quick-service restaurant with healthy margin is between 28-32%. Above 32%, the model breaks: not enough margin to pay payroll, rent, utilities and generate EBITDA. Most restaurants that think they have a pricing problem discover too late that the problem was always purchasing.

Diego F. Parra and Masterrestaurant have audited more than 8,400 restaurant operations in 43 countries. In 78% of those audits we found purchasing leaks that the owner didn't know about: supplier who charges 'below market' but delivers fewer grams, receiving that doesn't weigh, menu that doesn't adjust to actual cost, physical menu misaligned with prices.

This checklist brings together the 18 points that audit first — they're not theoretical, they're the ones that make real cash difference. Each point carries measurable criteria, frequency and who should do it. The 5 that almost no one meets are marked: failing them costs between USD 400-1,200 per month in an 80-cover restaurant.

SIDE-BY-SIDE COMPARISON

Side-by-side: purchasing and suppliers

	WHAT ALMOST EVERYONE FAILS (AND COSTS MONEY)	THE RIGHT METHOD (MASTERRESTAURANT)
Receiving purchases	✗ Delivery slip is unloaded without weighing or checking. Supplier notes what they're selling, you assume it arrives complete.	✓ Verifiable weighing at every delivery: grams, units, documentation. Record in control sheet (paper or app). Deviation >3% for supplier triggers price review.
Theoretical vs actual cost	✗ Cost from 6 months ago is used. No one recalculates what each dish really costs based on this week's purchases.	✓ Update theoretical cost every Friday at purchase close. Dish costing USD 12.50 in ingredients must sell for USD 39 minimum (if food cost ≤32%). If cost rose, adjust price or menu.
Supplier renegotiation	✗ Negotiated once then left alone. 'They're my long-time supplier' is the phrase that costs most money.	✓ Renegotiate every 6 months. Bring competitor quote (written), tell them: 'They're 5% lower'. If they say no, find another. A 3% reduction in purchases goes straight to EBITDA.
Waste and spoilage in kitchen	✗ Kitchen throws food away without recording. 'It's normal' they say. No one knows how much is really lost.	✓ Daily weighing of waste by station (prep, line, cold). Target: <3% of incoming purchases. If it hits 5%, there's a leak or training failure. Diego has seen restaurants lose 2.3% monthly from unmeasured waste alone.
Duplicate suppliers	✗ Vegetables bought from three different suppliers because 'each brings their own thing'. Volume not consolidated.	✓ Negotiate with ONE main supplier per category. Concentrated volume = power. Volume discount goes straight to food cost. Exception: specialized items go to secondary supplier.
FIFO rotation (First In, First Out)	✗ Old stock mixes with new. No entry date labels. Sometimes things are cooked close to expiration.	✓ Each batch enters with receiving date. Kitchen always pulls oldest first. Review stock monthly: items aging get sold differently or menu adjusts.

	WHAT ALMOST EVERYONE FAILS (AND COSTS MONEY)	THE RIGHT METHOD (MASTERRESTAURANT)
Purchasing without written specs	✗ You call supplier: 'Give me 5 kilos of breast'. Different quality arrives, different weight, different price.	✓ Purchase order with specification: weight, cut, grade, exact quantity, unit price. Supplier signs. Discrepancy on delivery = automatic credit note or exchange.
Menu prices vs actual cost	✗ Menu says 'Filet USD 28' but filet costs USD 11.50 in ingredients today (41% food cost). No one checked in 3 months.	✓ Every dish must respect food cost $\leq 32\%$. If cost rises and you can't raise price 7% (customer rejects it), replace ingredient or change presentation. Menu reviewed every 2 weeks.
Manual purchasing calc (no app)	✗ Purchases in broken Excel or by gut feel. You 'intuit' how much to buy. Sometimes runs out, sometimes excess.	✓ Stock count app → automatic purchase projection → auto-generated order → supplier confirms. Human error $< 5\%$. Masterrestaurant recommends Canvas or Exponencial for this phase.
Invoice not verified	✗ Invoice arrives, it gets paid. No one checks if what was invoiced matches what receiving scale recorded.	✓ Daily reconciliation: receiving slip (what physically arrived) vs invoice (what supplier charges). Difference $> 2\%$ generates credit note. Cash records both.
Physical menu not updated	✗ QR menu is current, but paper menu has prices from 6 months ago. Customer sees two different prices.	✓ MASTERRESTAURANT always recommends keeping the physical menu PLUS the QR. Both at same price (weekly review). Physical menu is control: narrative, sales pace, hospitality. QR is accessibility and data. NEVER QR alone.
Waste in delivery or catering	✗ Food shipped without weighing portions. 'The hand' is generous. Don't know if you lose money per portion.	✓ Portions weighed, tray by tray. Packaging cost included in food cost. Delivery uses same recipe and same weight as dine-in. If cost rises $> 1.5\%$, review or agree price adjustment.
Suppliers without financial backing	✗ Buy from unregistered distributor, 'friend of a friend', because price is low. One day they disappear or product fails.	✓ Supplier must have legal invoice, traceability (produce origin) and 2+ year history in your records. Low price without audit = operational and health risk.
No purchasing budget	✗ Buy by 'chef's intuition'. If month was bad, cut randomly. No reference for how much 'should' be spent.	✓ Monthly purchasing budget based on: expected covers (planned seat fills) $\times$ food cost target (28-32%) = monthly USD purchase. Variance $> 5\%$ triggers investigation. That's real cash.

	WHAT ALMOST EVERYONE FAILS (AND COSTS MONEY)	THE RIGHT METHOD (MASTERRESTAURANT)
Top 5 almost everyone fails — Money impact	✗ 1. Receiving without weight: leak USD 180-400/month · 2. Outdated theoretical cost: overpricing USD 150-300/month · 3. No renegotiation: overcost 5-8% = USD 200-600/month · 4. Unmeasured waste: USD 120-250/month · 5. Duplicate supplier: consolidation = 3% savings = USD 100-400/month.	✓ TOTAL you lose ignoring all 5: USD 750-1,950 per month (80-cover restaurant, 25 business days). In 12 months: USD 9,000-23,400 in avoidable leaks. That's pure EBITDA that walks out quietly.

Put it to work in your restaurant: **21-day restaurant food cost challenge** →

Where does the real control of food cost come from?

From purchasing and suppliers, period. A restaurant with controlled payroll and well-designed menu can still collapse if it doesn't audit receiving, if it negotiates once and trusts forever, if it updates theoretical cost in September with June prices.

In Diego F. Parra's experience advising restaurants, a problem an owner believes is about pricing often turns out to be a purchasing problem — a supplier charging 'below market' but delivering less than agreed, receiving staff not weighing anything, or a menu designed with ingredient costs from three months ago. Defensible food cost ranges between 28-32% of sales; above 32%, the model breaks regardless of everything else.

Three direct levers control that number: daily receiving audit, semi-annual contract renegotiation, and theoretical cost updated every Friday. I measure all three.

Receiving audit: where everyone unloads without checking, you weigh, photograph, and close the contract

Unloading and accepting whatever arrives from the supplier is the first hole. Protocols that work: weigh every item before storing it, record weight and photograph, compare against the delivery document — if variance exceeds 3%, generate contract review that same day, not next month. Masterrestaurant forces clients to do this, and the impact measures between USD 180-400 per month recovered in an 80-seat restaurant, simply by sealing gram-by-gram losses the supplier was skimming.

The record must be visual (photo) and written (number), with signature of whoever receives each delivery — this system doesn't break with end-of-month audit but with live surveillance of every purchase.

If you spot variance, call the supplier and document via email: 'we received 9.8 kg of breast against 10.5 kg on your receipt, photo attached, Tuesday I need USD 47 credit or supplier change.' Those USD 47 daily add up to USD 1,400 monthly in recovered cash, because the supplier knows someone is measuring.

Theoretical cost: where others use figures from three months ago, you update every Friday

The dish that cost USD 11 in July costs USD 12.80 in October because protein costs rose 8% and seasonal vegetables 12%, but the selling price stays flat or rises 3%. That margin erodes silently if you don't update theoretical cost on a clock frequency.

The protocol that works: every Friday, recalculate the cost of the five dishes that represent 60-70% of your sales using actual prices from the last invoice — not 'the average' or 'what I bought six weeks ago,' but yesterday's invoice number. If dish cost rises over 5%, you have two measured options: change ingredient (cheaper supplier or reduce portion per standard), or raise selling price 2-3 points.

What you do NOT do is ignore it for three months thinking 'it will normalize.' In recent audits, restaurants updating theoretical cost weekly gained USD 150-300 monthly in alignment versus competitors doing it monthly or never. This is pure method difference, not purchase price nor volume.

Negotiation: where others negotiate once and trust, you bring a competitor to the table every six months

Signing a contract with a supplier at year start and forgetting is how you lose margin every quarter when costs change. The protocol that works is mechanical: every six months, bring written offers from competitors — minimum two, documented with prices and payment terms — and meet with your current purchasing manager. Show them the offer: 'they are at USD 4.80 per kilo, you charge USD 5.40; they give 15 days payment and you give 7. I need 3-8% adjustment or I'm switching next month.' This isn't aggression: this is business.

Negotiation: where others negotiate once and trust, you bring a competitor to the table every six months — in practice

A 100-seat restaurant with daily purchases of USD 200-250 negotiates USD 180,000 annual volume minimum; with 3% discount won in that renegotiation, that's USD 5,400 annually direct to EBITDA, and you only get it because someone bothered to bring competition in writing. I've seen suppliers adjust 2-3 points after two rounds without even waiting for a competitor threat, simply because they discover the client knows the market.

Owners who don't negotiate never ask 'is there a discount for good clients?', a question that yields money: according to 2024-2025 data, suppliers reporting pricing pressure gain 2-4% in renegotiated purchases semi-annually.

The top 5 mistakes almost everyone makes in purchasing and what you lose if ignored

Five errors concentrate purchasing leaks: ignoring weight variance >2% at receiving (costs USD 180-400/month), using outdated recipe costing (loses USD 150-300/month in price-cost alignment), failing to bring competitors to the negotiation table (costs USD 200-600/month in lost discounts), allowing kitchen to discard food without tracking (generates USD 120-250/month in invisible waste), and hiring new suppliers without vetting payment terms and stability (leaves you without stock at peak season or hits price increase at high demand).

That's 7.8-19.8% of operating profit lost purely to purchasing neglect, not high purchase price nor low volume. It's pure cash, waiting for someone to pay attention.

How to implement purchasing audit into real routine, without it dying in bureaucracy?

A purchasing audit that lives on a printed form serves no purpose; what works is the one reviewed three times: at receiving (immediate weighing), in kitchen (updated cost), and at close (variance vs.

POS). The receiving clerk weighs and records each purchase the following morning or when it arrives (per supplier route), with photo of package and receipt — maximum fifteen minutes. The chef or kitchen manager updates theoretical cost of their five main dishes every Friday before 2pm, in a shared spreadsheet with the owner. The owner audits that sheet Friday at 4pm and decides: does selling price rise, or do I change ingredient?

Semi-annual negotiation is a fixed calendar appointment on January 15 and July 15, with formal supplier invitation and competitor offer documented 48 hours prior. Without that cadence, the system collapses: it's not lack of will, it's lack of fixed time blocks. The accounts that survive are those that convert this into a calendar appointment, like paying rent.

How to audit if the system works: measurable evidence, not feelings?

Every purchasing item needs verifiable evidence on paper or screen: receiving variance recorded (package weight vs.

receipt, photo), theoretical cost recalculated (chef signature and date on spreadsheet), negotiation documented (email with competitor offer and supplier response), and kitchen waste weighed at shift end. A simple board — physical or shared sheet — with these figures updated weekly brings visibility: receiving variances, theoretical cost variation week-over-week, negotiated discounts, and waste kilos recorded. Without that board, the system is belief.

With it, it's control: if weight variance exceeds 3% two weeks running, you investigate supplier or tighten receiving; if theoretical cost rises without authorized price increase, you know exactly where to search for the leak. The auditor checks it monthly, but you do it weekly, and that difference is control versus surprise.

What if you trust the supplier and audit nothing?

It seems to work the first 60 days because initial customer volume sustains margin, and nobody notices the detail of kilos.

The problem surfaces in month four or five, when you discover food cost you thought was 30% is actually 33.5% — because receiving was wrong the whole time, theoretical cost didn't rise when chicken price climbed, and the vegetable supplier changed caliber without notice, cutting grams per pound. Without audit, all this happens in silence. With audit, you see it in three days and act: find supplier, renegotiate, or change menu.

What if you trust the supplier and audit nothing — in practice?

The difference in timing converts three months of lost cash into three days of adjustment — that's USD 2,500-4,000 monthly that doesn't evaporate.

The paradox is that trusting seems to save work: no weighing, no updating numbers, no negotiating. In reality, trusting costs more money than auditing costs, because the money vanishes without you seeing it and when you notice it's gone. Diego F. Parra has seen both paths 8,400 times: the one who trusts breaks quietly between month four and month eight; the one who audits survives the first because they spot the hole in time.

The indicator that warns you before margin collapses

Food cost as a percentage of sales, measured week-over-week against the same period of the prior month, moves before any other number — and that's why it's the first indicator I audit. A food cost rising 1.5 points in two consecutive weeks with no menu change nor documented price increase signals direct leak: portions out of standard, untracked waste, or hidden receiving variance.

Most owners detect it only in the monthly P&L, after already losing four or five weeks of eroding margin. The top 10% of operations audits this number every Sunday, comparing against four weeks prior, and acts Monday morning if variance exceeds 1.5 points: calls supplier with weight photo, reviews portion standards, or weighs kitchen waste. You don't wait for month close: by then, the cash is gone.

Masterrestaurant trains clients to this because the difference between late spotting and early watching is nearly half a million pesos annually in salvaged margin, pure system, without changing anything in kitchen or front of house.

The 5 most critical differences

Receiving: where everyone unloads without looking, you weigh, photograph and record. Deviation >3% triggers contract review with supplier. Impact: USD 180-400/month recovered. Theoretical cost: where others use figures from months ago, you update every Friday. Dish that cost USD 11 now costs USD 12.80 — you raise price or change ingredient today, not after month-end. Impact: USD 150-300/month in alignment. Negotiation: where others negotiate once and trust, you bring competitor every semester and quote numbers.

You win 3-8% on price. Impact: USD 200-600/month straight to EBITDA. Waste: where kitchen tosses food silently, you weigh waste daily. Target <3%. If it rises, you investigate: technique, training or theft. Impact: USD 120-250/month controlled. Suppliers: where others buy from three distributors, you negotiate volume with ONE per category. Consolidated discount. Impact: USD 100-400/month in purchasing savings.

POINT BY POINT

Comparison: error vs right (money impact)

PURCHASE RECEIVING

A · WHAT ALMOST EVERYONE FAILS (AND COSTS MONEY)

No weighing: trust what supplier says.
Deviation <5% goes unnoticed. Leak: USD 180-400/month.

B · MASTERRESTAURANT Recorded

verified weighing: every delivery checked.
Deviation >3% triggers renegotiation.
Recovery: USD 180-400/month.

Verdict: Verified weighing (B) is mandatory. It's what Masterrestaurant audits first in any operation.

THEORETICAL COST AND SALE PRICE

A · WHAT ALMOST EVERYONE FAILS (AND COSTS MONEY)

Outdated cost (months old): dish costing USD 12 sells for USD 36 (33% food cost, negative). EBITDA collapses without you knowing.

B · MASTERRESTAURANT Cost updated

Friday: dish costing USD 12 sells minimum USD 39 (31% food cost). If cost rises, adjust price or ingredient today, not month-end.

Verdict: Weekly update (B) protects margin. Restaurants with this habit have 0.5-2% lower food cost than those updating monthly.

SUPPLIER RENEGOTIATION

A · WHAT ALMOST EVERYONE FAILS (AND COSTS MONEY)

One negotiation at start, then pause. Supplier maintains 5-8% overprice for years. Annual cost: USD 2,400-9,600 extra on 80-cover operation.

B · MASTERRESTAURANT Half-yearly

renegotiation. Bring competition, quote numbers, win 3% average. Annual savings: USD 1,800-7,200 straight to EBITDA.

Verdict: Renegotiate every 6 months (B) is basic commerce. 73% of restaurants without this learn in audit they overpaid for years.

KITCHEN WASTE

A · WHAT ALMOST EVERYONE FAILS (AND COSTS MONEY)

Not measured. 'It's normal to lose some'.

Reality: 4-6% of incoming purchases thrown away. Hidden cost: USD 120-400/month.

B · MASTERRESTAURANT Daily

measurement per station. Target <3%. If it rises, investigate that day. Control technique, training, theft. Impact: USD 120-250/month avoided.

Verdict: Daily measurement (B) separates professional kitchen from artisanal operation. It's not punishment, it's cash.

SIDE-BY-SIDE COMPARISON

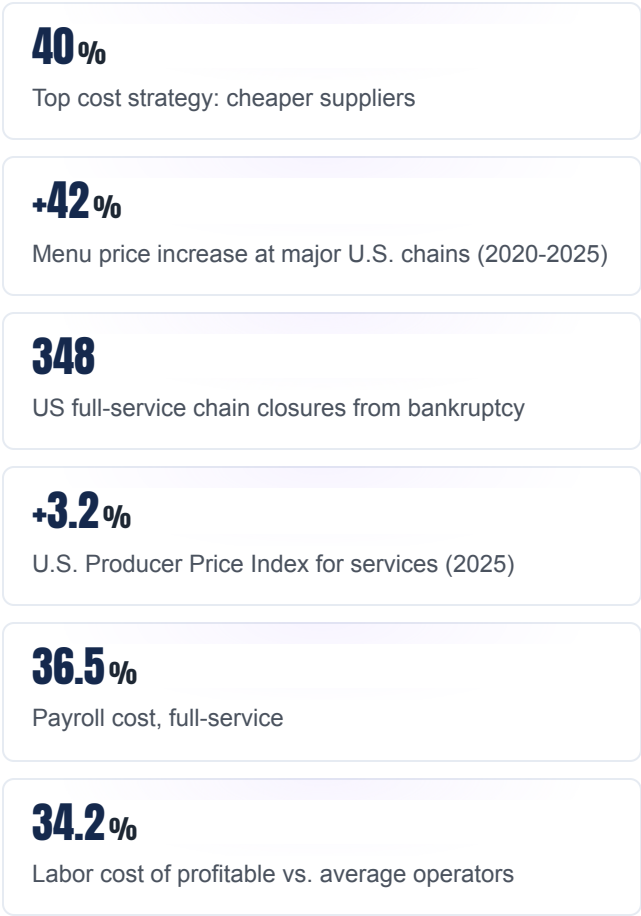
What almost everyone fails **ERROR**

- ✗ Receiving without verified weighing
- ✗ Outdated theoretical cost
- ✗ No supplier renegotiation
- ✗ Unrecorded waste
- ✗ Duplicate purchases

The right method **MASTERRESTAURANT**

- ✓ Weighing every delivery + daily record
- ✓ Cost updated every Friday
- ✓ Renegotiation every 6 months
- ✓ Daily waste weighing <3%
- ✓ Consolidation per category

Real audit figures from Masterrestaurant



VISUALIZATION

The numbers, visualized

Top cost strategy: cheaper suppliers



Menu price increase at major U.S. chains (2020-2025)



US full-service chain closures from bankruptcy



U.S. Producer Price Index for services (2025)



Payroll cost, full-service



Labor cost of profitable vs. average operators



Sources: [TouchBistro 2024 \(via Apicbase\)](#) · [One Haus — Rising Check Averages](#) · [Technomic 2024](#) · [U.S. BLS — Producer Price Index 2025 M12](#) · [National Restaurant Association — Restaurant labor costs analysis 2024](#)

Chart by [masterrestaurant.com](#)

ILLUSTRATIVE CASE (COMPOSITE)

“Looked like failure: with rent, payroll and utilities no margin was left. Reality: receiving without weight (supplier delivered 850g when invoicing 1kg of base dough), kitchen waste of 4.8% (no one measured it), and physical menu had prices from 8 months prior. We fixed those three: real food cost dropped to 29%, EBITDA went from -2% to +8%. Without buying anything new, without changing recipes. Just audit and control.”

— Diego F. Parra, Masterrestaurant

Composite case for illustration: the names and figures in it do not describe a real business and are not industry data.

HOW TO APPLY IT IN YOUR RESTAURANT

4 steps to implement this checklist



Week 1: Instrument receiving

Get a kitchen scale if you don't have one. Assign one person (manager, chef or kitchen aux). This person WEIGHS EVERY delivery, compares to slip, photographs deviations. Open control sheet (paper or Google Sheets): supplier, date, what arrived, verified weight, deviation, signature. First supplier >3% deviation, you call and negotiate credit.



Week 2: Update theoretical costs

Take last week's purchases (real invoices). Calculate ingredient cost of your top-selling dish. Example: Grilled filet = filet USD 8.50 + potato USD 0.80 + salad USD 1.20 + butter/salt USD 0.30 = USD 10.80 theoretical. Verify sale price respects food cost $\leq 32\%$ (if sells for USD 34, food cost is 31.7% — OK). If any dish goes negative, flag for review or ingredient change.



Week 3-4: Renegotiate with mains

Call your 3 main suppliers (produce, meat, dry goods). Tell them: 'I'm budgeting annually. I want 3% price reduction with same quality. Can you do it?' If not, get alternative quote and compare. A 3% reduction in purchases is money straight to pocket. It's not discourteous: it's cash. Serious suppliers understand commerce works this way.



Month 1-2: Measure waste and adjust

Every day, kitchen weighs waste (peels, unusable parts, errors). Record by station. Target: <3% of incoming purchases. If one day it hits 5%, you investigate same day: is it technique failure? Produce quality issue (supplier source)? Overproduction? Act immediately. In 2 weeks you have pattern. If it consistently rises, there's a daily-cost leak.

FAQ

4 questions everyone asks

How long does it take to implement the checklist?

Receiving (verified weighing) takes 3 days to implement. Theoretical cost calculation, 1 week. Renegotiation, when you want (recommended by week 2). Waste measurement is daily from day one. You'll see cash impact in 4-6 weeks: 1-2% food cost reduction is common if you started without audit.

What if the supplier won't accept renegotiation?

Two options: a) Find alternative (written quote), compare side-by-side and negotiate with competition in hand; b) Accept price but reduce volume (buy fewer days from them, diversify others). In competitive market, third supplier always comes down. If your supplier is monopoly in your area, that's a risk you record.

Should you consolidate suppliers or diversify?

Consolidate per category: ONE main produce supplier (volume discount), ONE meat, ONE dry goods. That gives power. BUT keep 1-2 secondary alternatives (in case of failure, product shortage, etc). Common error is buying from 5 distributors 'to not depend on one': that's dilution of power.

Is physical menu really needed with QR?

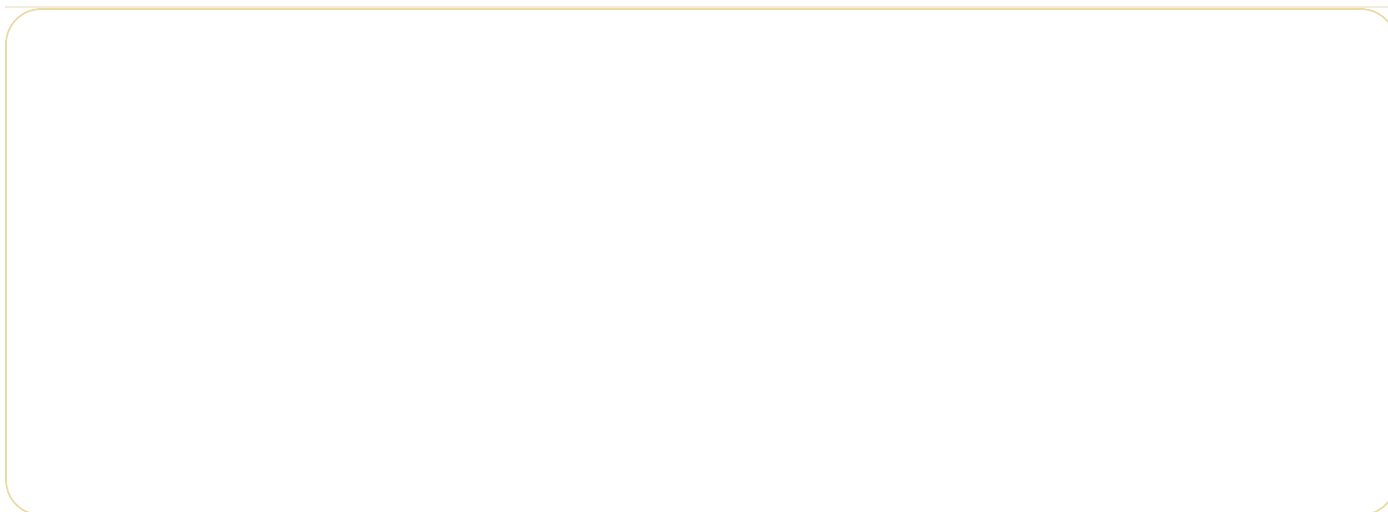
YES. MASTERRESTAURANT always recommends keeping physical menu PLUS QR. Physical menu is not data, it's experience: it lets you narrative selling (what you suggest first), service pace (waiter explains, customer doesn't wait loading app) and hospitality (touch, ink, design). QR is complement: quick updates, delivery, accessibility, analytics. NEVER QR alone. Both, each with its role.

DATA & SOURCES

Purchasing and suppliers: 2026 data from official sources

Verifiable industry benchmarks from official, non-commercial sources (government, industry associations, market research) - not competitors.

Metric	Value	Source
Share of U.S. restaurant and foodservice surplus food coming from plate waste, 2024	cerca de 70 % del excedente en 2024	ReFED — Restaurants and Foodservice (2025)
Value of surplus food in the U.S. in 2024, the scale of input cost lost before becoming units sold	381.000 millones de USD en 2024	ReFED — Food Waste Data: Causes & Impacts (2025)
Difference in main-dish cost when applying time-driven activity-based costing (TDABC) versus traditional costing, in a 5-star hotel restaurant (case study, 2024)	38,18 % de diferencia en la sección de platos fuertes (2024)	Heliyon — Using time-driven activity-based costing in restaurant business: Levelled application of a case study (2024)
Capacity utilization rate of second-level cooks measured with time-driven ABC in a fine-dining restaurant (case study, 2024)	70,89 % (2024)	Heliyon — Using time-driven activity-based costing in restaurant business: Levelled application of a case study (2024)
Share of restaurants facing labor problems, the context motivating time-driven ABC labor costing (2024 study)	97 % (2024)	Heliyon — Using time-driven activity-based costing in restaurant business: Levelled application of a case study (2024)
Median hourly wage of U.S. food and beverage serving workers, a labor-activity cost input for ABC costing, May 2025	15,24 USD por hora (mayo de 2025)	BLS — Occupational Outlook Handbook: Food and Beverage Serving and Related Workers (2025)



Author: Diego F. Parra · **Publisher:** MASTERESTAURANT®

🗨 Content created with AI assistance, reviewed by the MASTERESTAURANT editorial team.