Real pour cost % and profit target draft beer

Do you measure the success of your venue by the profit you are making or by the profit you should be making?

You can tell how much **beer a bottle contains by reading the label.**

For **draft beer**, the amount served depends on the **glass size and shape!**

FACT: You will be sure of the **real pour cost** of a glass size only after you have **measured** it.

Many people are **surprised** by what they find when they measure how much liquid the **glasses in their bar really contain**. In fact, if you go ahead and do it, it may change the **number of glasses** you **expect to serve per keg.**

Tools you need:

A narrow graduated container (20 Oz/600ml)* or a scale and a calculator.

** The narrower the container, the more accurate it is. A graduated pitcher will not provide an accurate enough measurement since it is too wide.*

1. Start by measuring the **amount of water contained** in each glass size at the level normally served by the staff.

Ex: you measured 14.5 Oz in a 16 Oz pint

2. Calculate your **cost per serving**. You need both the **keg size** and **price**.

- Ex: $165 and 1984 oz.
- Cost per oz. = $165/1984 = 0.083 (8.3cents per Oz.)
- Measured cost: 14.5 Oz. X 8.3 cents = $1.20

3. Calculate the **pour cost percentage**

Keg conversion table

20 litres = 704 Oz Imp = 676 Oz US

30 litres = 1055 Oz Imp = 1014 Oz US

50 litres = 1760 Oz Imp = 1690 Oz US

58.68 litres = 2065 Oz imp = 1984 Oz US

- Selling price (before sales tax): $5.00
- Measured pour cost percentage: $1.20/$5.00 = 24%

What can you do with it?

** If you sell several glass sizes, the percentage of sales for each size will be necessary but the maths is the same. Using a spreadsheet will help with the calculations.*

Let's say in July you figured having served **16 kegs of this one brand**.

$165 X 16 = $2640

$ 2640 / 24% = $11,000 is the **optimal** sales figure if you sold every drop of the 16 beer kegs.

We know this won't happen but this sales figure is your **target**. The closer you come to it, the **more successful you are**.

Lets say your sales report for July shows $9500 instead.

$11,000 - $9500 = $1500 difference in sales.

Since the glass size did not change $1500 X 24%_= $360 in beer cost.

$360/$165 = 2.18 kegs X 1984 Oz.

4325 Oz / 14.5 Oz = 298 beer glasses worth of beer that went somewhere.

The question that you now have to ask yourself is: Where did this beer go?

- No doubt that some of it was **spilled into the drain** or **over poured**.

- How much of it were **genuine beer glasses** served that were **not ordered** the POS system?

  - Is it 10 % or is it 70%? Who knows?
  - At 10% you would add the revenues for the sales of 30 glasses in July = $15
  - Multiply by 5 if you believe it is closer to 50% for $750 for the month of July

- Repeat for all your beers!

Our control system will help you improve your results to be as close as possible to your target everyday of the year!