

Cost

Control

with The

Active System



Active Healthcare Professionals Group, LLC
www.ahpg.net

The starting point for any cost control effort in the Dietary Department is the Menu. The Active System allows you to easily cost your menus and to adjust them initially to meet your budget requirements, and to adjust the menus dynamically, or on the fly, whenever you need to. Extenuating circumstances such as vendor outages, price variations, resident requests and observations often create a need to adjust your menus. With the Active System, this is very easy and comprehensive. The Dietary manager need only to select the menu item they want and then press F1 to spread the menu item with appropriate substitutions across all the diets. It's like having a Registered Dietitian looking over your shoulder and tell you what to put in each diet column.

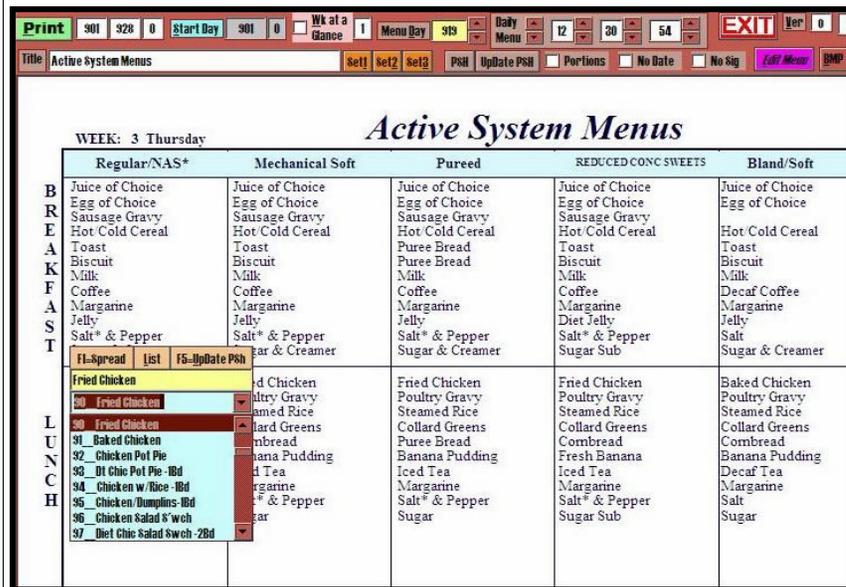
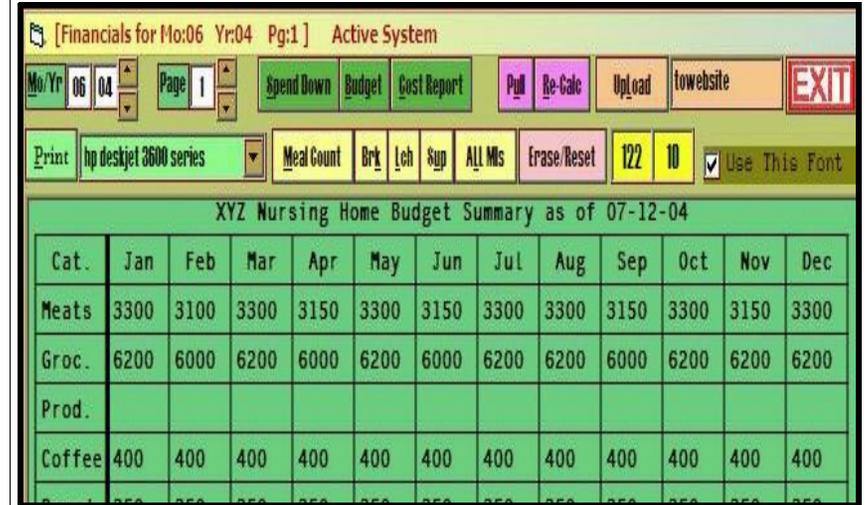


Figure 1. Changing the Menu

As shown in Figure 1, you simply click the menu item you want to change and then select the new menu item from the drop down box. There are several hundred selections for each menu category. Therefore, you can type part of the name of the item you want in the yellow box (type over the current menu item) and then press enter and the first matched item appears in the blue slot below it. Keep pressing enter

The Cost report is central to the Active System Cost Control program. The Active System pull information from the spend down sheets, order guides, meal counts and the budget sheets on order to complete the weekly cost report. This report can then be printed, faxed, emailed, and/or Up Loaded to a secure web page for monitoring, reviewing and coaching. Figure 12 shows the Budget Report, which is very detailed and can be filled out from a central location and downloaded to each individual facility



for use through out the year.

This affords you the opportunity to easily stay on top of all spending in all Dietary Departments, and to offer specific "coaching" to ensure that each and every facility stays within budget each and every month.

Date	BREAKFAST				LUNCH				SUPPER				TOTALS
	Res.	Guest	Emp.	Othr.	Res.	Guest	Emp.	Othr.	Res.	Guest	Emp.	Othr.	
07-01-04	115	1	3		116	2	10		114	1	7		369
07-02-04	114	1	2		115	1	15		114	1	6		369
07-03-04	116	2	3		117	2	17		117	2	10		386
07-04-04	118	2	3		118	3	16		118	2	12		392
07-05-04	117	1	2		116	2	15		117	2	11		383
07-06-04	116	1	2		115	1	16		116	1	10		378
07-07-04	115	1	3		118	1	17		119	2	11		387

Figure 10. Active System Meal Counting Program

With the Active System, counting meals is simply a click of a button. Click Spend Down from the roster, then Meals and then click the meal you want to count. The Active System instantly counts all residents on p.o. diets and places the count in the proper box on the form. You obtain a running tally of revenue (credit) and an estimated PPD so far for the month. These meal counts are then used by the Cost Report to

Date	Vendor	Invoice No	Meats	Grocery	Prodce	Coffee	Bread	IceCrm	Dairy	Juice
		BUDGET -->	3150	6000		400	350		690	
06-05	Sysco	1234		2889.35						
06-10	Sysco	5678		1707.28						
06-11	Velda	9012		329.95						

calculate an actual PPD.

until the item you want appears in the blue slot. Then press F1 or click the F1-Spread button. Presto! the Active System puts the selected item in all the columns where that item is appropriate for the diet and makes appropriate substitutions in the other diet columns.

Being able to adjust the menu quickly and effectively is a very valuable tool for controlling costs, and maintaining high levels of food satisfaction. However, you need to cost out the entire menu in advance in order to make sure you can remain in budget month after month. Costing out the entire menu can be very tedious. Then, what do you do after adjusting the menu. You need to re-cost it ! Fortunately, the Active System allows you to easily cost out entire menus in seconds. The system stores the cost of each menu item in the library of menu items. Therefore, adjusting the menus does not make it any more difficult to obtain cost information on the

Exch	Por	Menu Item Name	Sub1	Sub2	Sub3	Sub4	M	P	R	N	F	B	C	K	P	L	V	S	C	E	A	R	N	
1	oz	3 oz Roast Beef	260				R	M	P	2	4	N	F	B	C	K	P	L	V	S	C	E	R	N
1	oz	3 oz Hamburger/Bun	77	9	151		R	M	P	2	4	N	F	B	C	K	P	L	V	S	C	E	R	N
1	oz	3 oz Beef Patty	151				R	M	P	2	4	N	F	B	C	K	P	L	V	S	C	E	R	N
1	oz	7 oz Beef Stew	11	12	154	220	R	M	P	2	4	N	F	B	C	K	P	L	V	S	C	E	R	N
1	oz	3 oz SF FF Beef Stew -1Bd	12	154	220		R	M	P	2	4	N	F	B	C	K	P	L	V	S	C	E	R	N
1	oz	3 oz Stew Beef w/Rice -1Bd	154		220		R	M	P	2	4	N	F	B	C	K	P	L	V	S	C	E	R	N
1	oz	3 oz Swedish Meatballs	14	160			R	M	P	2	4	N	F	B	C	K	P	L	V	S	C	E	R	N
1	oz	3 oz SF FF Braised Meatballs	160				R	M	P	2	4	N	F	B	C	K	P	L	V	S	C	E	R	N
1	oz	3 oz Meatloaf	169				R	M	P	2	4	N	F	B	C	K	P	L	V	S	C	E	R	N
1	oz	3 oz Pepper Steak	17	178			R	M	P	2	4	N	F	B	C	K	P	L	V	S	C	E	R	N
1	oz	3 oz Chopped Steak/M'rooms	208	9	424		R	M	P	2	4	N	F	B	C	K	P	L	V	S	C	E	R	N
1	oz	3 oz Beef Stroganoff	19	204			R	M	P	2	4	N	F	B	C	K	P	L	V	S	C	E	R	N
1	oz	3 oz Beef w/Noodles -1Bd	63				R	M	P	2	4	N	F	B	C	K	P	L	V	S	C	E	R	N
1	oz	3 oz Beef Pot Pie	21	12	19	206	R	M	P	2	4	N	F	B	C	K	P	L	V	S	C	E	R	N
1	oz	3 oz SF FF Beef Pot Pie -1Bd	12	206	19		R	M	P	2	4	N	F	B	C	K	P	L	V	S	C	E	R	N

new menu.

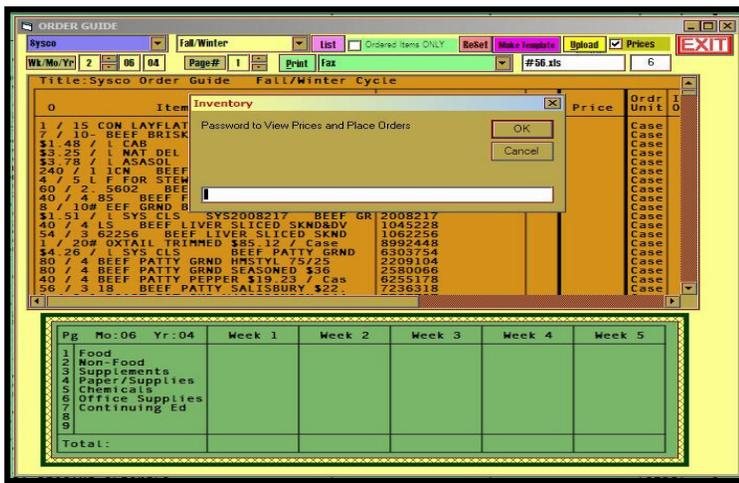


Figure 7. putting the Prices Pass-

In-word

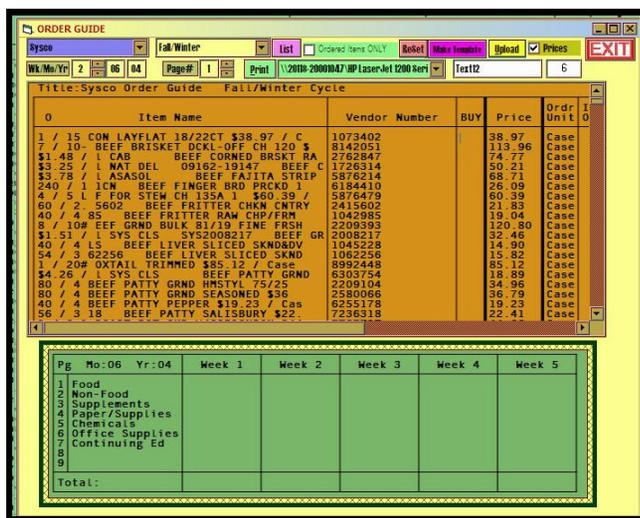


Figure 8. The Order Guide with Prices.

Now that you can track prices from vendor to vendor and from order to order and from week to week, and from menu cycle to menu cycle, its time to consider your own spending habits.

Just as you can cherry pick from your vendors, your vendors can cherry pick which food items they will mark up each week to make up for the low prices they are offered you to get your business. They get your business because of the low prices they offered you, but you mysteriously seem to still be spending the same amount or more each month. This is because you need protection from price creeping (select food items creep up in price each week) or vendor cherry picking (the vendor picks a few items each week and inflates those prices). The Active System allows you to easily obtain and store vendor prices and to track them from order to order. Any creeping or jumping will be evident immediately

Loc#	AHPG Code	Inventory Item Name	3605.75	1200.45	Bar Code	Vendor Number	Ordr Unit	OrderUn	IssueUn	On Hand	Exten
		Grits			044000037215		Case 2		0		
		CrWheat					Case 1		1	9.67	
		Oatmeal			300258275534		Case 1		1	22.84	
		ALLBrn			076410014388		Case 1		9	200.0	
		CornFlk			076410010427		Case 1		2	40.40	
		RaisinBr			044000037444		Case 1		0		
		RiceKrs					Case 1		1	22.23	
		SFFlake					Case 1		1		
		PurRice					Case 1				
		PurWht					Case 1				
		SpecK					Case 2		1	68.12	
		CheeSce					Case 1				
		WhpMx					Case 1				
		LemJce					Quart 1		1	2.68	
		ToJc6oz					Case 2				
		PrJc6oz					Case 1				
		V8Jc6oz					Case 1				
		Spice Cake Mix					Case 1				
		Brownie Mix					Each 1				
		AngelFood Cake - Pre Made					each 1				
		Cheese Cake Mix					each 1				
		Chocolate Cake Mix					each 1		1	11	
		Pound Cake - Pre Made					each 1				
		White Cake Mix					Case 1		1	11	
		Yellow Cake Mix					Case 1				

Figure 4. Active System Inventory and Ordering Program - Click Inventory from the roster screen Diet Tab

The Active System holds hundreds of pages of inventory. Each page has enough room for an entire Dietary Department Inventory (1500 items per sheet). You place an order by indicating how many of each item you want in the BUY column. Once your order is complete, you save it by clicking save order and giving the order a name such as wk1_04. This order can be re-loaded the next time that week of the menu comes around. You can also click Compare and upload the order to a column of the compare listing to watch for price creep on each

individual food item. The AHPG code column on the inventory allows you to standardize the food items by type rather than brand name. Then if a vendor substitutes a different (and usually more expensive) brand, your system will continue to compare it to the same type of food ordered in previous weeks. So, if you order Brand X Kernal Corn and the vendor substitutes Libby's Kernal Corn, your system will compare the prices of the two corns even though they each have a different vendor number. They will be listed according to your assigned AHPG Code.

AHPG Code	Vendor Number	06/10/04	06/03/04	05/26/04	05/19/04
GrBeans	12345678	29.05	24.04	22.15	20.10
VanHshake	10102345	19.45	19.01	18.22	17.15

Figure 5. Price Compare Form - Click the COMPARE button

If you want to control what food items are available to be ordered from a vendor, you can implement an order guide within the Active System. You can give the person ordering access to the order guide only, and/or access to the inventory and the order guide. The order guide also tracks your overall spending from week to week. These figures are copied over into an overall spend down sheet which offers a monitoring tool that can prevent over spending.

Pg	Mo:06	Yr:04	Week 1	Week 2	Week 3	Week 4	Week 5
1							
2							
3							
4							
5							
6							
7							
8							
9							
Total:							

Figure 6. Order Guide

Figure 6 shows the order guide. As you can see at the top, there is a drop down menu to allow you to select different order guides from different vendors, and different order guides for each cycle of the menu. As you input your order, you will see the running tally in the appropriate weeks column in the green box. Once your order is complete, you can print a copy and/or select the Fax printer driver from the green drop down list at the top and fax your order directly to your vendor.

The prices the order guides as well as the inventory can be password protected. If you click the PRICES button at the top, you will be asked for a password. Provide the password, and the prices appear. Click Prices again and provide the password and the prices disappear. The default Password is INV. To change the password type INV|NewPW, where NewPW is your new password.

The UpLoad button is to upload the order guide from your vendors website, or from a text file provided by your vendor. This process needs to be setup by AHPG if your vendor is not one of the vendors that AHPG has interfaced with before.