

**Farmers restaurant****Name****Institution****Instructor****Course****Date**

## **Farmers restaurant**

Inventory refers to goods, materials or products that a business holds for the purpose of sale, production or operation. In a business like a restaurant, manufacturing and retail, inventory entails raw materials, work-in-progress items and finished goods. (Arbatskaya, 2020) Inventory management is crucial for Farmers restaurant or any other restaurant because it directly impacts several key aspects of the business.

Cost control; proper management of inventory can help Famers restaurant track food supplies, avoid overstocking and prevent spoilage. This can easily cut down the food costs, which is one of the biggest expenses in a restaurant. Avoiding overstocking and preventing spoilage can reduce the rate of loss.

Menu planning and consistency; by managing inventory efficiently, Famers restaurant can ensure that they always have the necessary ingredients at hand. This allows them to consistently offer their menu items without running out. It also enhances customer satisfaction and reduces the risk of losing business due to unavailable dishes.

Waste reduction; effective inventory tracking helps reduce wastage by identifying items that are close to expiration thus ensuring that they are used promptly. This not only helps the restaurant save money but also supports sustainability. For business like Famers restaurant, which focuses on locally-sourced or fresh ingredients, saving money by reducing wastage is crucial.

Profit margins; efficient inventory management helps ensure that there is no overspending in the restaurant. Spending on unnecessary stock or losing money on wasted goods can drastically reduce the profit margin. Inventory management enables better control of the profit margins by reducing unnecessary expenses in the Farmers restaurant.

Supplier relationship; managing inventory efficiently allows Farmers restaurant maintain a good relationship with its suppliers. This can only happen if they place orders at the right time and in the right quantities. It can lead to better terms and potentially reduced costs over time.

Operational efficiency; it is achieved by ensuring smoother kitchen operations and minimising delays. Delays might be caused by missing ingredients and lack of cooperation among the staff. Proper inventory management ensures that staff work efficiently leading to faster service and better customer experience.

### **Modes of ordering in Farmers Restaurant**

The best ordering system for a restaurant like Farmers restaurant would likely be an integrated restaurant inventory management system. This type of system helps in tracking and managing the inventory while automating the ordering process based on real time data. Key features and systems that would highly benefit Farmers restaurant include:

Cloud based POS system with inventory integration; A cloud-based point of sale system that integrates with inventory management would be ideal. A POS system records every sale and with an integrated inventory system, it automatically updates inventory levels based on the types and number of dishes sold. This helps track how much of each ingredient has been used and gives alert when stock is low. It prevents over-ordering and under-ordering, reducing waste and ensuring that stock is aligned with demand. With sales and inventory data combined, the system can forecast demand for specific items. (Sudirga, 2017) This helps the restaurant make informed decisions on ordering based on seasonal or popular menu items.

Mobile ordering and inventory apps; many modern restaurants use mobile apps for ordering and inventory management. There are apps that offer mobile access, allowing the restaurant monitor inventory levels. This apps flexibility makes it easier for staff to adjust

orders or address supply shortages in real time. (Wolfinbarger & Gilly, 2001) Orders can be placed from anywhere and the restaurant staff can keep track of inventory levels within a short period of time. The app can analyse purchasing trends and suggest adjustments in the ordering process to optimize cost.

Vendor-Managed inventory (VMI); Farmers restaurant can also benefit from a vendor managed inventory system, where the suppliers are in charge of monitoring and restocking the restaurant. The supplier regularly monitors the restaurant inventory levels and restocks as necessary. This ensures that the restaurant never runs out of the important ingredients. The responsibility of inventory monitoring shifts to the supplier which can result to fewer stock loss and more consistent availability of ingredients. It reduces the time and effort needed by restaurant staff to monitor inventory levels and place orders manually.

Just in Time (JIT) ordering; for restaurants that prioritizes fresh ingredients, a just in time ordering system would work well. JIT system helps in ensuring that ingredients are ordered as close as possible to when they will be used. This reduces spoilage and maintains the freshness of the food. By receiving inventory shortly before it is needed, the restaurant can maintain the freshness of its ingredients and avoid overstocking perishable goods.

Minimising waste and only ordering what is needed reduces the amount of capital tied up in the inventory thus providing cash flow for other aspects of the business.

For Farmers restaurant, a cloud-based POS system with inventory integration and automated ordering would be the most effective solution. This system provides real time inventory updates, reduce waste and automates the reordering process. It also ensures that the restaurant can maintain its supply of fresh ingredients without overstocking. Additionally, it would improve efficiency, reduce the workload on the staff and support cost control, which is essential in the competitive restaurant industry.

Kristin may consider switching to a nearby supplier for several reasons, but there are also potential drawbacks to doing so. Reasons to consider a nearby supplier include:

**Reasons for switching to a local supplier.**

Reduced shipping costs; a local supplier would likely reduce transportation and shipping costs. For a shorter distance, the cost of transporting goods would be lower compared to receiving supplies from Ohio. For restaurants like Farmers restaurant, which relies on fresh ingredients, lower logistics costs can significantly improve profit margins.

Faster delivery and freshness of products; a nearby supplier can deliver products faster and more frequently, which is crucial for maintaining the freshness of ingredients. (Shin & Cho, 2022) This applies particularly if the restaurant serves farm to table fresh produce. With a closer supplier, there is less time between harvest or production and when the goods arrive at the restaurant, ensuring high quality.

Local sourcing and sustainability; many restaurants emphasize on local sourcing as part of their brand and sustainability initiatives. Partnering with nearby suppliers can strengthen Farmers restaurant's local identity and appeal to customers who value businesses and support local producers. This could also reduce the restaurant's carbon footprint, a shorter transport distance translates to lower emissions.

Better control over the inventory; with local supplier, Kristin can potentially receive more frequent deliveries in smaller quantities. This allows better control over inventory. It can reduce the need for large storage spaces and minimize the risk of spoilage especially for perishable goods.

Stronger relationships and flexibility; a nearby supplier can offer better communication and in person visits are more reliable. Kristin can build a stronger relationship with the supplier, which can lead to better terms, customized orders and flexibility during emergencies

or shortages. Local suppliers may be more responsive to last minute orders or changes in demand.

### **Drawbacks of switching to a local supplier.**

Established relationship and trust; Kristin has likely established a trusted relationship with the supplier in Ohio. This supplier may have proven reliability, consistency and quality over time. (Laursen, 2019) Building the same level of trust and reliability with a new supplier can take time and comes with some risks, as the new supplier may not perform as expected initially.

Product quality and availability; the supplier in Ohio may be offering specific products or high quality ingredients that are essential for the restaurant's menu. If the Ohio supplier specializes in certain items that are difficult to source locally, switching suppliers might mean compromising on the quality or the consistency of certain dishes. Kristin might have tailored her menu around the ingredients from Ohio, finding a local supplier who can match that quality or variety may be a challenge.

Supplier capacity and sustainability; a local supplier might not have the same production capacity or supply stability as the current one in Ohio. This can be important especially if Farmers restaurant requires large quantities of ingredients. Switching to a smaller local supplier might risk stock outs or inconsistent deliveries, especially if the local supplier is overwhelmed by demand.

In conclusion, effective inventory management is crucial for the smooth operation and profitability of any business. It ensures that the right products are available at the right time, minimizing stock outs while avoiding excess inventory. It also enhances customer satisfaction through timely fulfilment of orders. In summary, a well-executed inventory management is a fundamental element for operational efficiency and long-term success.

## References

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