

# The Bar Math Cheat Sheet

Improving your beverage program's profitability comes down to keeping track of the numbers. To make this easier, we've put together the seven bar math equations you need to know to run a successful bar or restaurant.

## INVENTORY USAGE =

$$\begin{aligned} & \text{[ starting inventory ]} \\ + & \text{ [ inventory received during usage period ]} \\ - & \text{ [ ending inventory ]} \end{aligned}$$

## POUR COST =

$$\frac{\text{[ INVENTORY USAGE ]}}{\text{[ sales ]}}$$

## VARIANCE (DOLLARS) =

$$\begin{aligned} & \text{[ value of product sold ]} \\ - & \text{ [ INVENTORY USAGE ]} \end{aligned}$$

## VARIANCE (PERCENT) =

$$\frac{\text{[ \$ VARIANCE ]}}{\text{[ INVENTORY USAGE ]}}$$

## TOTAL COCKTAIL COST =

$$\begin{aligned} & \left( \frac{\text{[ Ingredient A pour size ]}}{\text{[ Ingredient A bottle size ]}} \times \text{[ price of Bottle A ]} \right) \\ + & \left( \frac{\text{[ Ingredient B pour size ]}}{\text{[ Ingredient B bottle size ]}} \times \text{[ price of Bottle B ]} \right) \\ + & \left( \frac{\text{[ Ingredient C pour size ]}}{\text{[ Ingredient C bottle size ]}} \times \text{[ price of Bottle C ]} \right) \text{ and so on...} \end{aligned}$$

## TOTAL DRAFT BEER COST =

$$\frac{\text{[ pour size ]}}{\text{[ keg size ]}} \times \text{[ price of keg ]}$$

## TOTAL BY-THE-GLASS WINE COST =

$$\frac{\text{[ pour size ]}}{\text{[ bottle size ]}} \times \text{[ price of bottle ]}$$

## DRINK PRICE =

$$\frac{\text{[ TOTAL DRINK COST ]}}{\text{[ desired pour cost ]}}$$