



Inventory PAR Builder

Restaurant Profit Systems - Min/Max levels built from usage, lead time and safety

Goal

Set 'PAR' (minimum on-hand) by real usage, delivery lead time, and safety days.

STEP 1 - Pick Review Period and Vendor Lead Time

Review Period: how often you place orders (e.g., 2 days, weekly).

Lead Time: days from order to delivery (e.g., order Tue, deliver Thu = 2).

Write both in DAYS so math is clean.

EXAMPLE: Review 3 days; Lead Time 2 days

STEP 2 - Get Average Daily Usage (ADU)

Use last 2-6 weeks. Total units used / number of days in that range.

Match units to how you store/order (lbs, each, case).

Exclude one-off events if you do not expect them this cycle.

EXAMPLE: 30 lbs used in 15 days => ADU = 2 lbs/day

STEP 3 - Choose Safety Stock (days)

Safety Stock covers spikes, late trucks, weather. Set in DAYS of usage.

Typical kitchen: 0.5-2.0 days. Perishable items often lower; critical items higher.

EXAMPLE: Safety = 1.0 day for chicken breast

STEP 4 - Calculate PAR (units)

PAR Units = $ADU \times (Lead\ Time + Review\ Period) + (Safety\ Stock \times ADU)$.

This ensures you can make it to the next truck even if one is late.

EXAMPLE: ADU 2, (LT 2 + Review 3) = 5; Safety 1 -> PAR = $2 \times 5 + (1 \times 2) = 12$ units



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STEP 5 - Round to Vendor Pack Size

If vendor sells by case, round UP to the next full case or split pack if allowed.
Keep pack notes on the worksheet so new managers order correctly.

EXAMPLE: If PAR 12, pack 10 => Round to 20 for weekend buffer

STEP 6 - Order Quantity

Order Qty = PAR - On Hand - On Order (arriving before next truck).
If negative, order 0. For weekend/holiday, add buffer days to Review Period.

EXAMPLE: PAR 60, On Hand 22, On Order 10 => Order 28 (round to pack)

Guides by Category (typical ADU volatility & safety days)

- Fresh proteins: Safety 0.5-1.0 day; Review 1-3 days
- Produce: Safety 0.5-1.0 day; Review 1-2 days
- Dry goods: Safety 1-3 days; Review 7 days
- Frozen: Safety 2-5 days; Review 7-14 days
- Beverage (NA): Safety 2-4 days; Review 7 days

