THE EXECUTIVE BRIEF · FOR CEOS, CFOS, COOS & CSOS

Surplus to Margin: *A Board-Level Guide* for UAE Kitchens

Why the food your operation throws away is mostly a forecasting problem, and how to start reducing it within 90 days.

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Read time: 8 minutes

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01

Where surplus hides in your P&L

Surplus almost never appears as its own line item. It is spread across several cost lines, which is why it rarely reaches the boardroom.

When a kitchen prepares more than it sells, the cost doesn't vanish. It shows up as a slightly higher food-cost percentage, a little more overtime, a larger waste-collection bill, and stock that ages before it's used. Each one looks small, and each is usually explained away as "the cost of doing business."

WHERE IT LANDS	HOW IT SHOWS UP	WHY IT'S MISSED
Food cost (COGS)	Ingredients bought and prepped for covers that never came	Blended into one food-cost %; no split between "sold" and "binned"
Labour	Prep hours spent on food that is later discarded	Labour is tracked by shift, not by what was produced
Purchasing	Orders sized on fixed pars and habit, not on expected demand	Suppliers deliver on time, so nothing looks wrong
Utilities & disposal	Energy to cook and chill surplus; waste-collection fees	Paid centrally, far from the kitchen decision
Brand & ESG	Visible buffet waste; weak answers on sustainability questions	Not a financial line at all, until a client or regulator asks

THE EXECUTIVE TAKEAWAY

The first step isn't a new technology. It's making surplus a number someone owns. Once production and sales are compared per item, per site, per day, the gap becomes visible and can be managed like any other cost.

02

Five questions to ask your operations team this quarter

You don't need to be a chef to lead on surplus. These five questions reveal quickly how mature your operation is.

1 **"How much did we produce yesterday versus what we sold, by item?"**
If no one can answer within a day, production isn't being measured against demand, and surplus is invisible by design.

2 **"How are our prep quantities set, and when were they last changed?"**
Par levels set months ago, or "the chef's experience," mean the plan isn't reacting to weekdays, seasons, events or Ramadan.

3 **"Which five items do we over-produce most often?"**
Surplus usually concentrates in a small number of dishes. Knowing them turns a vague problem into a short action list.

4 **"Do all our sites plan the same way?"**
Big differences between outlets running similar menus are a sign of inconsistent planning, and the best site's method can be copied.

5 **"What happens to food that isn't sold?"**
Redistribution, staff meals, repurposing, composting or the bin. The answer matters for cost, compliance and reputation.

> HOW TO USE THIS
>
> Ask all five in your next operations review. Note which ones get a number and which get a story. The stories show where the margin is.

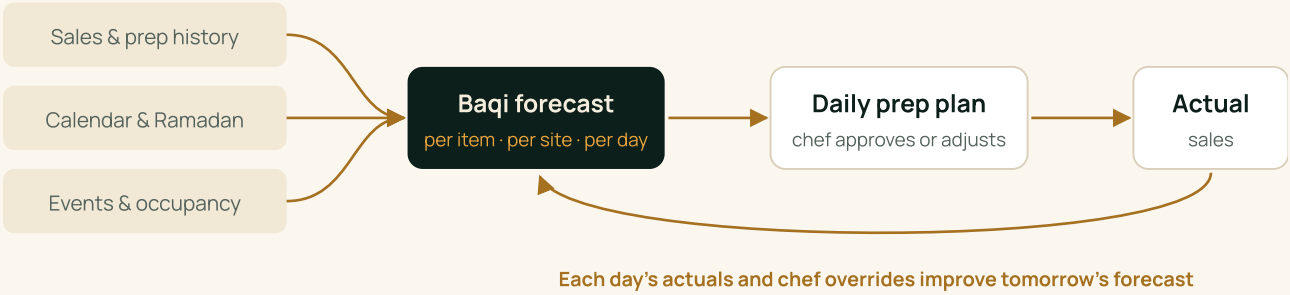
03

AI forecasting vs. par levels and spreadsheets

Most kitchens already forecast, just informally. The question is whether the forecast learns.

	FIXED PAR LEVELS	SPREADSHEETS	AI DEMAND FORECASTING
Basis	A fixed quantity per item	Recent averages, updated by hand	Sales history plus calendar, events and patterns
Reacts to change	Only when someone resets it	Slowly, depends on one person	Every day, automatically
Local rhythms	Ignored	Partly, if someone remembers	Weekends, Ramadan, holidays, tourism peaks built in
Detail	Per item	Usually per site or category	Per item, per site, per day
Scales across sites	Copy-paste	Breaks as sites grow	Same method for every outlet
Gets better	No	Rarely	Yes. It compares each forecast with actual sales

How the forecast learns every day



THE EXECUTIVE TAKEAWAY

Par levels answer "what did we usually make?" Forecasting answers "what will we actually sell tomorrow?" The gap between those two questions is where surplus comes from.

04

Linking surplus reduction to UAE sustainability reporting

Food waste is now a national priority in the UAE, and buyers, investors and partners increasingly ask operators for evidence of progress.

The UAE has made reducing food loss and waste a national goal through **ne'ma**, the National Food Loss and Waste Initiative, which aims to halve food waste by 2030. Hotel groups, caterers and F&B operators are central to that goal, and many already face sustainability questions from corporate clients, government tenders and their own boards.

The difficulty is rarely ambition. It is **evidence**. A commitment without a measured baseline is hard to report and easy to challenge.

What good reporting needs

- **A baseline:** how much surplus each site produces today, measured rather than estimated.
- **A consistent method:** the same definition and measurement at every outlet.
- **Trend data:** monthly figures that show the direction of travel.
- **The "what remains" story:** where unavoidable surplus goes, for example redistribution or composting.

> WHY THIS MATTERS TO THE CFO AS WELL AS THE CSO
>
> Forecast-led prep produces both numbers at once. The same data that shows kilograms avoided also shows money saved, so one initiative serves both the sustainability report and the P&L.

05

A 90-day pilot plan you can approve in one meeting

Start small, measure honestly and decide on evidence. One site, one quarter, and a clear go/no-go at the end.



What we ask of you

- An executive sponsor and one operations contact at the pilot site
- Access to existing sales and production records (no new hardware)
- A 30-minute review at the end of each month

What you get at day 90

- A measured surplus baseline and the change against it
- The food-cost impact in AED, by item
- Data ready for your sustainability reporting
- A clear recommendation: scale up, adjust, or stop

Next step: a 20-minute surplus diagnostic

Bring one site's numbers. We'll show you where surplus is likely concentrated and whether a pilot makes sense. There's no obligation. Reply to the email that brought you this brief, or visit getbaqi.co.