

AI INVENTORY TRANSFORMATION TOOLKIT

UK and Europe Edition (2025 Operator Version)

A complete operational system for modern hospitality groups

This toolkit is designed for restaurants, pubs, hotel groups, food halls, QSR chains and multi site operators who want to modernise cost control, improve GP accuracy, standardise recipes and reduce waste using AI driven inventory processes.



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1. EXECUTIVE OVERVIEW

Hospitality operators across the UK and Europe face rising costs, high labour pressure and volatile supply conditions. In this environment, traditional invoice entry and spreadsheet driven recipes are no longer enough. Operators need a system that collects real time data, updates costs instantly and allows teams to act quickly.

This toolkit provides the full operating system required to transform inventory management using AI invoice capture and structured workflows. It is designed for both single site and multi site applications.

2. AI INVOICE SETUP FRAMEWORK

AI invoice scanning replaces manual entry with automatic extraction and validation of line item data.

2.1 Requirements

Gather the following before you begin:

- Supplier price lists
- All allergen documentation
- Pack size and unit data
- Contracted items and preferred products
- Full product catalogue

2.2 AI Invoice Workflow

Step 1: Capture

Upload invoices via mobile photo or PDF.

Step 2: AI extraction

The system reads item names, pack sizes, unit prices, totals, VAT and delivery charges.

Step 3: Confidence scoring

Low confidence items are flagged for review.

Step 4: Product mapping

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Items link to the central product master to eliminate naming inconsistencies.

Step 5: Cost update

Recipe costs, GP models and stock valuation update instantly.

Step 6: Alerts

Supplier price increases and pack size changes are flagged.

2.3 Invoice Validation Checklist

Requirement	Complete	Notes
Supplier matched to product master		
Pack size consistent		
Price change logged		
Substitution identified		
VAT validated		

3. PRICE INTELLIGENCE AND SUPPLIER MONITORING

AI driven price intelligence ensures operators catch cost creep immediately.

3.1 Daily Price Review

The system identifies:

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- price increases
- decreases
- abnormal changes
- pack size variations
- supplier substitutions
- region specific variances for multi site operators

3.2 Price Intelligence Dashboard KPIs

KPI	Description
Mean price movement	Average cost change over 30 days
High volatility items	Products with above threshold variability (i.e., fluctuating costs)
Supplier substitution rate	Number of unauthorised swaps by suppliers
Region based cost variance	Cross-site comparison of the same product's cost
Category inflation trends	Cost movement for major groupings (e.g., Produce, Meat, Dairy etc.)

4. GP CALCULATOR AND MODELLING SUITE

A modern GP calculator must update automatically with new invoice data.

4.1 GP Formula

Gross Profit Percentage

(Selling Price minus Ingredient Cost) divided by Selling Price multiplied by 100

4.2 GP Calculator Template

Dish	Ingredient Cost	Selling Price	GP (£)	GP Percentage	Notes

4.3 GP Model Outputs

This calculator generates:

- live dish profitability
- GP sensitivity analysis
- price change impact
- menu engineering categorisation
- recommended selling price adjustments

5. FORECASTING AND ORDERING MODEL

Forecasting must integrate with recipe and cost data to create accurate order schedules.

5.1 Forecast Inputs

- Expected sales
- Menu mix
- Seasonal demand
- POS trends
- Supplier delivery days
- Shelf life
- Stock on hand

5.2 Forecasting Template

Week	Projected	Usage by	Recommended	Shelf	Notes
Week 1					
Week 2					
Week 3					
Week 4					

5.3 Ordering Rules

- Order based on forecast minus existing stock
- Honour supplier cut off times
- Avoid local purchases during shortages
- Use cross location transfers when available

6. RECIPE COSTING TEMPLATES

Modern recipe costing must link directly to the central product master.

6.1 Required Data

- Ingredients
- Yields
- Portion metrics
- Allergen data
- Batch quantities
- Unit costs

6.2 Recipe Costing Template

Recipe	Ingredient	Quantity	Unit	Unit	Portion	Yield	Allergens

6.3 Yield Control

Yield accuracy requires:

- recording raw and cooked weights
- measuring trim, waste and evaporation
- validating batch sizes
- recalculating yields quarterly

7. STOCKTAKE AND INVENTORY CONTROL SHEETS

7.1 Stocktake Template

Category	Item	Unit	Opening Qty	Closing Qty	Usage	Notes



7.2 Stocktake Principles

- Count weekly at the same time
- Use mapped stockroom locations
- Record wastage before counting
- Separate high value items
- Standardise unit of measure

8. WASTE MANAGEMENT SYSTEM

8.1 Waste Log Sheet

Date	Item	Weight	Reason	Cost	Logged By

8.2 Waste Categories

- overproduction
- expired items
- portioning errors
- storage damage
- customer returns
- preparation mistakes

8.3 Waste Review Cycle

Conduct weekly reviews to identify:

- top waste items
- root causes
- preventive actions
- training needs

9. VARIANCE DETECTION AND TROUBLESHOOTING GUIDE

Variance identifies operational problems early.

9.1 Variance Template

Category	Theoretical Usage	Actual	Variance	Likely	Action

9.2 Diagnostic Framework

- high negative variance indicates overuse
- high positive variance indicates missing invoices
- category variance suggests substitution issues
- prep variance suggests inaccurate yields
- beverage variance suggests POS discrepancies

10. MULTI SITE ROLLOUT STRUCTURE

10.1 Phase 1

Build the product master and supplier framework.

10.2 Phase 2

Enable AI invoices at pilot sites.

10.3 Phase 3

Standardise recipes and yields.



10.4 Phase 4

Implement weekly stocktakes and variance reporting.

10.5 Phase 5

Scale across the estate in controlled waves.

11. IMPLEMENTATION SOPs

Include SOPs for:

- receiving deliveries
- invoice capture
- wastage recording
- recipe preparation
- stocktake rules
- transfer between sites
- emergency purchasing protocol

12. LEADERSHIP AND TRAINING FRAMEWORK

12.1 HQ Responsibilities

- manage product master
- validate invoices
- maintain reporting
- coordinate procurement

12.2 Site Responsibilities

- capture invoices daily
- follow ordering schedules
- complete stocktakes
- monitor waste

13. TOOLKIT ASSETS (YOU CAN PLACE THESE AS “DOWNLOADABLE FILES”)

You can convert each section below into sheets within your PDF.

Included Assets

1. AI invoice setup guide
2. Supplier onboarding checklist
3. Product master template
4. GP calculator
5. Forecasting model
6. Recipe costing sheet
7. Stocktake template
8. Waste log template
9. Variance troubleshooting matrix
10. Multi site rollout plan
11. SOP checklist
12. Leadership guide