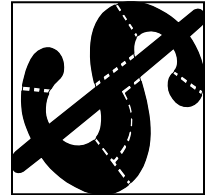


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## MWR MANAGERS' OPERATIONS GUIDE

### Evaluate Current Fees, Prices and Charges



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#### DO THIS TASK WHEN

- At least semi-annually for all programs and services.
  - There is a sustained/substantial decrease in income and/or program participation.
  - Directed by the Command or higher authority.
  - In receipt of OSD's annual Child Care pricing guidance.
  - Required for any program or service based on the Program's financial position or customer input.
  - Preparing/reviewing the annual budget.
  - Competition analyses are completed/updated.
  - Your FFR Program's activities, events, products, or services are adversely affected by inflation.
  - There is a need to revise, adjust, and correct pricing of your activities, events, products or services to be more competitive or profitable or to meet standards.
  - Pricing new activities, events, products or services.
  - Cost of Goods sold (COGS) percentage is not meeting the published standards.
-

**REFERENCES**

- CNICINST 1710.3 (series), Operation of Morale, Welfare, and Recreation MWR Programs.
  - OPNAVINST 1700.9 (series), Child Development Programs.
  - Annual letter from OSD on Child Care Service Fees.
  - Local FFR standard operating procedure (SOP) for Fees, Prices, and Charges.
- 

**SUPPLIES/  
RESOURCES**

- Financial statements and budgets.
  - List(s) of current fees, prices, and charges.
  - Navy FFR Customer Survey results.
  - Local customer usage data.
  - Assessment data of on- and off-base competition.
  - Comment cards and similar FFR Program evaluation data.
  - Typical office supplies, calculator, and computer.
  - Invoices and inventory sheets.
  - Product specifications.
-

**THIS TASK IS  
DONE CORRECTLY  
WHEN**

- Established fees, prices, and charges contribute income to offset operating expenses and meet recapitalization needs.
- Participation/revenue has not declined solely due to current fees, prices, and charges.
- Fees, prices, and charges are less than 25% of comparable commercial market for Category-C activities.
- Fees, prices, and charges comply with CO/XO or regional guidance or other higher authority requirement.
- Fees, prices, and charges are in accordance with published standards. (See program financial standards provided at the end of this task.)
- Fees, prices, and charges are adequate to meet required gross profit margins. (See program financial standards provided at the end of this task.)
- Dues/fee structures are established for members of membership clubs at rates lower than "nonmember" rates to establish perceived value in the membership.
- Prices for products (except food) are not lower than prevailing prices charged for similar items by the local Navy Exchange retail outlets.
- Child Development Centers and Youth Programs providing full-time care fees, prices, or charges are based upon current OSD schedules.
- COGS and profitability meet or exceed published financial and operating standards.

**NOTES**

This task is performed in close cooperation with the FFR Director and your regional Program managers. (e.g., Golf, Bowling, Youth, etc.)

Every Navy FFR Department is obligated to offer its customers the widest range of services possible at the lowest overall cost. Success in meeting this obligation is measured, among other ways, by:

- The number and positive reactions of the customers participating.
- The number and kinds of FFR Program activities, events, products and services offered.
- Achieving the Program's financial goals.
- The benefits and values of FFR Program's activities, events, products and services offered.

Each customer should have an equal opportunity to participate in the FFR programs, regardless of rank, age, sex, culture, athletic skills, creativity, or reasonable ability to pay. This creates a need for a wide variety of programs, moving far beyond sports, hobbies, and clubs, within the reasonable ability of all to pay. For this reason, many Navy FFR programs are offered to the customer at reduced or no charge.

These Programs are funded from many sources including appropriated fund (APF) allocations, NEX profit distribution, grants, recycling profits, Category C generated funds, etc. These distributions create opportunities for quality FFR programs regardless of where the customers are stationed.

**NOTES  
(cont.)**

But, like everything else, demand exceeds resources.  
The Navy customer wants and needs more kinds of recreational services than Navy-wide funds can supply.  
When money won't stretch, the FFR has only two choices;

- (1) Not meet the demand, or
- (2) Produce more locally generated revenue to support programs by charging for some other programs.

"Pricing or price adjustments is one of the most technically difficult and politically sensitive areas in which public service managers have to make decisions. Pricing decisions are influenced by a myriad of ideological, political, economic, and professional arguments. The debate that accompanies this diversity of perspectives should focus on sound principles."

"The main failure of most user price policies is that they have been designed solely or primarily to raise revenue. The prevailing approach is to raise all prices by some arbitrary percentage or amount each year. Little effort is made to discover who is benefiting, who is paying, and the level of benefits and payments involved from each service."

"Even if incremental price increases are based on some acceptable criterion, they assume that the original price was appropriate. If the initial price was arbitrarily derived, then subsequent incremental increases are also likely to lead to an arbitrary price that does not accurately reflect the agency's objectives or the clientele's best interest."

Quotes from Marketing Government and Social Services, by John L. Crompton and Charles W. Lamb.

**NOTES  
(cont.)**

Minor price increases based on increased COGS or labor costs should be done regularly and as a routine part of doing business, without going through all the notification steps listed in this task.

Major changes due to policy from higher authority, changes in scope of program or mission should follow all the notification steps.

Arbitrary and/or across-the-board price hikes that are implemented in the absence of notification, explanation and any noticeable improvement in activities, events, products, services, quality, benefits and/or value are traditionally unacceptable to the customer and often result in revenue losses--sometimes significant/permanent losses.

When customers complain about pricing, there is usually a bigger problem. These complaints are typically a symptom, where staff behavior, staff skill/knowledge, activities, events, products or services, supplies, equipment, the environment, customer service, and benefits/value are the problem..., fee, price, or charge changes won't fix these!

Obviously, cost issues will continue to prevail in your pricing decisions.

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## PROCEDURE

- Step 1**      Decide when to initiate a review of current fees, prices, and charges.
- ☐ Review all FFR Program activities, events, products, and services at least semi-annually at approximately the same time each year.
  - ☐ Initiate a review whenever indicated by the Program's financial position.
    - Review Program when any negative trend is noted. Refer to task Analyze Financial Statements, for information on how to identify financial trends.
  - ☐ Constantly monitor the impact of fees, prices, and charges on your Program's activities, events, products, and services from:
    - Customer input/needs.
    - Customer usage figures.
    - Competition pricing.
    - Command/Region Input.
    - Higher authority direction.
    - Customer complaints.
  - ☐ Upon receipt of the annual Child Care and Youth Program pricing guidance from OSD and the CNIC Program Manager.
  - ☐ During Strategic and/or Short/Long-Term Planning.
  - ☐ When preparing your Program Activity Calendar.
  - ☐ During budget preparation.
  - ☐ When pricing new activities, events, products or services.
  - ☐ When your COGS percentage is not meeting the published standards.

**Step 2** Determine if fees, prices, and charges are justifiable for your Program.

- ☐ Make copies of and use the Fees, Prices, and Charges Justification Worksheets available in this task.

**NOTE:** This step is done so that you will:

- Consider all possible alternatives to setting or increasing Fees, Prices, and/or Charges.
- Determine the likelihood of getting approval.
- Determine if the value of your activities, events, products, or services exceed the cost.

- ☐ Answer all the questions on the worksheets.
- **"NO"** Answers indicate problems that may need to be corrected before implementing any new fees, prices, or charges or adjusting any existing fees, prices, or charges.
  - Uncorrectable **"NO"** answers indicate that implementing or adjusting fees, prices, and charges is NOT justified.
- ☐ Go back to each "NO" answer and develop a plan to correct the problem.

**NOTE:** Current policy requires "FREE" access for active duty personnel to fitness facilities.

- Gyms.
- Check-out equipment.
- Athletic weight rooms.
- Lap swimming, etc.
- Fitness centers.
- Intramural sports. (Except daily use fees like green fees for the golf course.)

Fees are permitted for personal convenience items (e.g., monthly rental lockers, daily-use lockers, etc.)

Commands are directed to use APF for fitness related programs, facilities and services.



**Step 3**      Research and identify current fees, prices, and charges levied by your competition--both public and private.

☐ Review the task, Assess Competition, and use the worksheets provided in that task.

☐ Contact:

- Nearby military installations with comparable programs.
- FFR Departments within your region.
- Local public and private facilities and establishments that provide comparable services.

**NOTE:**      Coordinate with other local FFRs (including those of other Armed Forces) to ensure fees, prices, and charges are within acceptable limits for local area.

While not a mandatory requirement, this should be done on an annual basis to ensure no single Command dominates the area market or suffers because of fees, prices, or charges that are out of line with all other Commands.

You complete this step so that you will:

- Be able to show your Command comparisons between your Program's current (proposed) fees, prices and/or charges for activities, events, products, and/or services to the fees, prices and/or charges of your competitor's.
- Be prepared for user reactions to the fees, prices and/or charges they say/claim they pay your competitors.
- Ensure there is a perceived value in your activities, events, products, and/or services for which your customers will be willing to pay fees, prices and/or charges.

**Step 4**      Review your Program to identify current usage, year-to-date financial position, and costs.

- ☐ Review your Program's financial statements to determine the NAF costs/expenses of program(s).
- ☐ Review the customer participation data for your Program.

<p><b>NOTE:</b>      The Integrated Process Team (IPT) has developed standard methods of counting customers who use and participate in FFR Programs, facilities, activities and events. Check your Program Standards.</p>
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- ☐ Refer to Analyze AIMS Financial Statements, for procedures for analyzing and identifying financial position and costs.

<p><b>NOTE:</b>      This review of your Program's financials <u>and</u> customer participation data will help you:</p> <ul style="list-style-type: none"><li>• Identify your current costs to determine a need to set/adjust and justify fees, prices, and or charges.</li><li>• Calculate actual dollar amount needed to meet your obligations.</li><li>• Estimate earning potential relative to each of your Program's activities, events, products, and services.</li><li>• Compare your Program's performance to published standards.</li></ul>
--

**Step 5** Use copies of the NAF COSTS/REVENUE WORKSHEET to determine the NAF costs associated with your Program. (Blank forms are provided in this task. An electronic spreadsheet is available in the online FFR Establish Fees and Prices training.)

- ☐ See examples on next three pages.
- ☐ Prepare a separate worksheet for each operating department or Program activity, event, product, and/or service you are considering.

**NOTE:** The NAF Cost/Revenue Worksheet helps you determine your actual NAF costs from the figures reported on your Program's monthly financial statements. The resulting figures tell only part of the story. To identify your "TRUE" costs, you also need to know the following:

- Your Program specific APF costs. (OPTAR & Personnel costs.)
- Your prorated share of FFR NAF General & Administrative (G&A) costs and revenue allocated to your Program.
- Your pro-rated share of FFR APF General & Administrative (G&A) costs allocated to your Program.

There is a definite value in determining your "TRUE" costs of doing business. Once you arrive at your "TRUE" costs, you will be able to arrive at viable conclusions regarding your operation and will be able to explain or justify the following:

- Your level of subsidy.
- The impact of discounts or giveaways.
- Why you do/do not charge fees, prices, or charges for your products or services.
- Why you need to expand/downsize.
- Your Program costs and why fees, prices, or charges are necessary.
- The impact on your Program as a result of cuts/shortfalls in APF.

A review of your usage data gives you the "numbers" that you will need to calculate single unit/person/team fees, prices, or charges and/or expenses. Your supervisor and/or FFR Business Manager will be able to help you determine these figures.

Examples of usage include:

- A line of bowling; an 18-hole round of golf, etc.
- Per item. (e.g., a beer, a pair of golf shoes, etc.)
- A package. (e.g., a dinner theater, a trip, etc.)
- Per person event admission. (e.g., movie, concert, etc.)
- Per person activity admission. (e.g., swimming, classes, etc.)
- Per person. (e.g., \$9.95 per person for Sunday Brunch.)
- Something sold/rented per hour, day, week, month, year, etc.



**Evaluate Current Fees, Prices and Charges**

<b>NAF COSTS/REVENUE WORKSHEET:</b>		
For: <u>Bowling - Overall Activity</u>		Date/Time Period
<b>NAF COSTS/EXPENSES</b>		
Cost of Goods Sold	\$ 83,632	
Direct Expenses	\$184,796	
Applicable G&A Expenses (from your Program G&A)	\$ 96,728	
<b>Total Program Specific NAF Costs/Expenses (1) →</b>		<b>\$ 365,156</b>
<b>NAF REVENUE</b>		
Resale Revenue	\$212,276	
Program Revenue	\$324,000	
Miscellaneous Revenue	\$ 28,000	
<b>Total Program Specific NAF Revenue (2) →</b>		<b>\$ 564,276</b>
<b>Number Users/Units (3) →</b>		<b>51,840</b>
<b>NAF Cost per User/Unit (1) divided by (3) →</b>		<b>(4) 7.04</b>
<b>NAF Revenue per User/Unit (2) divided by (3) →</b>		<b>(5) 10.88</b>
<b>NET RESULTS (4) MINUS (5)</b>		
<b>If (4) is Higher - Net subsidized NAF Cost per User/Unit is →</b> (Line 4 minus Line 5)		<b>\$</b>
<b>If (5) is higher - Net Surplus NAF Revenue per User/Unit is →</b> (Line 5 minus Line 4)		<b>\$ 3.84</b>

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<b>NAF COSTS/REVENUE WORKSHEET:</b>		
For: <b>Bowling Program (Lines)</b>		Date/Time Period
<b>NAF COSTS/EXPENSES</b>		
Cost of Goods Sold	\$ -----	
Direct Expenses	<b>\$136,756</b>	
Applicable G&A Expenses (from your Program G&A)	<b>\$ 58, 320</b>	
<b>Total Program Specific NAF Costs/Expenses (1) →</b>		<b>\$ 195,076</b>
<b>NAF REVENUE</b>		
Resale Revenue	\$ -----	
Program Revenue	<b>\$324,000</b>	
Miscellaneous Revenue	\$ -----	
<b>Total Program Specific NAF Revenue (2) →</b>		<b>\$ 324,000</b>
<b>Number Users/Units (3) →</b>	<b>46,000</b>	
<b>NAF Cost per User/Unit (1) divided by (3) →</b>		(4) <b>4.24</b>
<b>NAF Revenue per User/Unit (2) divided by (3) →</b>		(5) <b>7.04</b>
<b>NET RESULTS (4) MINUS (5)</b>		
<b>If (4) is Higher - Net subsidized NAF Cost per User/Unit is →</b> (Line 4 minus Line 5)		\$
<b>If (5) is higher - Net Surplus NAF Revenue per User/Unit is →</b> (Line 5 minus Line 4)		\$ <b>2.80</b>

**Evaluate Current Fees, Prices and Charges**

<b>NAF COSTS/REVENUE WORKSHEET:</b>		
For: <u>Bowling - Snack Bar</u>		Date/Time Period
<b>NAF COSTS/EXPENSES</b>		
Cost of Goods Sold	\$ 38,400	
Direct Expenses	\$ 42,844	
Applicable G&A Expenses (from your Program G&A)	\$ 21,043	
<b>Total Program Specific NAF Costs/Expenses (1) →</b>		<b>\$ 102,287</b>
<b>NAF REVENUE</b>		
Resale Revenue	\$123,784	
Program Revenue	\$ -----	
Miscellaneous Revenue	\$ -----	
<b>Total Program Specific NAF Revenue (2) →</b>		<b>\$ 123,784</b>
<b>Number Users/Units (3) →</b>	<b>26,060</b>	
<b>NAF Cost per User/Unit (1) divided by (3) →</b>		(4) <b>3.92</b>
<b>NAF Revenue per User/Unit (2) divided by (3) →</b>		(5) <b>4.75</b>
<b>NET RESULTS (4) MINUS (5)</b>		
<b>If (4) is Higher - Net subsidized NAF Cost per User/Unit is →</b> (Line 4 minus Line 5)		\$
<b>If (5) is higher - Net Surplus NAF Revenue per User/Unit is →</b> (Line 5 minus Line 4)		\$ <b>.83</b>

**Step 6** Determine break-even point (BEP) and establish financial goals for the Program.

- ☐ See Determine Break-even Point (BEP) to determine the amounts of gross and net profits needed, and the fiscal feasibility of a specific proposed fee, price, or charge.
- ☐ See Program Financial Standards provided at the end of this task.

***Always check the "current" standards applicable to your Program.***

**NOTE:**

The BEP procedure helps you calculate various data points necessary to make decisions regarding setting/adjusting and justifying fees, prices, and/or charges.

**These various data points include:**

- How many customers/sales are needed to reach equality (BEP) between all relevant costs and projected income.
- The actual dollar figure to charge for an activity, event, product, or service needed to reach equality (BEP) between all relevant costs and the projected/known sales or patronage.
- How much you need to adjust your fees, prices, and/or charges to accomplish a specific/changed financial goal, whether for specific activity, event, product or service, or overall for your Program.
- The effects of adjusting (controlling) costs or increasing revenue to specific activities, events, products, or services, or overall for your Program.

What BEP won't tell you, is the possible temporary and sometimes permanent reduction in income brought about by addition or increases in fees, prices, and/or charges. (The remainder of this task attempts to deal with this challenge.)



## Evaluate Current Fees, Prices and Charges

**Step 7** Determine if current fees, prices, and charges need to be:

- ☐ Increased.
 ☐ Decreased.
 ☐ Remain unchanged.
 ☐ Eliminated.

**NOTE:** Decreasing or eliminating fees, prices or charges is rarely possible and is usually ill advised as it sends a negative message to your customers/patrons. This negative message may be a perception that the value has diminished. However, increases in competition or system changes from higher authority may cause you to decrease or eliminate fees, prices, and/or charges.

- Steps 2-6 above will be factors in making this determination.

IF PROGRAM:	AND:	THEN:
Usage is good	The Program's financial position is satisfactory/good	1. Stop here. A change in fees, prices, or charges is probably <b>UNNECESSARY</b> .
Usage is low	Your Program fees, prices, or charges are within 25% of other outside facilities	1. You probably can't raise prices, so do everything possible to accomplish the following: <ul style="list-style-type: none"> <li>• Improve customer service.</li> <li>• Eliminate unused portions of programs.</li> <li>• Decrease expenses.</li> <li>• Add new activities/events.</li> <li>• Change days/hours of operation.</li> <li>• Delete unwanted products. (e.g., slow movers/excess stock.)</li> <li>• Add new products indicated by the results of needs/trends analyses. (Hot movers, but NOT necessarily fads, although some fads may be a good "shot-in-the-arm"! Just don't over-commit/over-stock!)</li> <li>• Promote and advertise!</li> <li>• Run specials.</li> </ul> 2. Stop here. Monitor the Program. (See <a href="#">Analyze AIMS Financial Statements</a> .)
Is <b>NOT</b> meeting its financial goals	Outside facilities are charging 25% or more than your present fees, prices, or charges	1. Either increase or add fees, prices or charges to be within 25%. 2. Do everything possible to increase business/participation/revenue. (See ideas above.)

**Step 8** Establish necessary fee, price, or charge adjustment.

IF THE ADJUSTMENT IS TO BE MADE TO:	THEN USE:
A food or beverage item.	1. Cost of Goods Method. 2. Go To Step 9.
A retail item in a pro shop.	1. Mark-up Method. 2. Go To Step 10.
A Program such as golf, bowling, marina slip rental, etc.	1. Assess Competition Method 2. Go To Step 11.
An activity or event such as a tournament or class.	1. Cost Plus Method. 2. Go To Step 12.

**NOTE:** There are some programs whose fees, prices, and charges are set by law, regulations or established policies. In these cases, fees, prices, or charges will be determined by policy decisions. An example of this are the Child Development Centers and Youth Programs providing full-time care whose fees, prices, and charges structures are set by the annual OSD pricing guidance letter.

There is no **single** method to set fees, prices, and/or charges. One or more of the four methods that follow will be applicable to your type of Program, business, or office and its activities, events, products, and services.

You will find that in many FFR Programs more than one of these methods will be applicable.

## Evaluate Current Fees, Prices and Charges

**Step 9** Determine selling price for items that are traditionally priced using a **Cost of Goods Percentage Methods**. (e.g., Food and Beverage, etc.)  
See additional cost card and pricing samples and notes in this task.

There are two parts to this step: (1) Completing/updating the cost card, and (2) Pricing the item.

IF THE COST CARD IS:	THEN:
<b>NOT</b> complete, up-to-date, or correct	<ol style="list-style-type: none"> <li>1. Use Part (a) and the example to complete, update or correct a cost card for each item.</li> <li>2. Continue with Part (b) to price the item.</li> </ol>
Complete, up-to-date, or correct	<ol style="list-style-type: none"> <li>1. Continue with Part (b) to price the item.</li> </ol>

### Part (a) To complete a cost card, do the following:

- ☐ Determine the cost of the items that make up the resale item. Document this process on a cost card. (See example below.) Be sure to include complete actual costs (raw ingredients, loss in production, miscellaneous, waste, etc.)
- ☐ Total the individual costs to determine the total cost for the item you wish to price. Example shows \$1.185 total cost.

COST CARD					
ITEM: Philly Cheese Steak			Date 7 July XX		
Quantity	Recipe Unit	Ingredient	Unit Cost	Total Unit Cost	Notes
½	Oz	Salad Oil	.057	.028	
¼	Oz	Sandwich Seasoning Mix	.08	.02	
4	Oz	Philly Steak Meat	.17	.68	
½	Oz	Onions, grilled	.02	.01	
½	Oz	Green Peppers, grilled	.04	.02	
1½	Oz	Provolone Cheese (3 slices)	.111	.167	
1	Ea	French Sub Roll	.20	.20	
1	Ea	Condiment Charge	.06	.06	
Recipe Total Cost				\$ 1.185	
COGS		Initial Selling Price		Actual Selling Price	

**Step 9  
(cont.)****Part (b) To price an item, do the following:**

- ☐ Identify your Cost of Goods Percentage standard/goal. Use the published standards for your Program or the local goal that was determined during the budget process or when doing a BEP analysis.
- ☐ Calculate an *initial selling price* by dividing your total cost by the Cost of Goods percentage standard/goal. Enter this on the cost card.

**Example:** The total cost of the Philly Cheese Steak sandwich is **\$1.19** (rounded up) and the standard Cost of Goods percentage for your Program is **38%**.

Divide the \$1.19 by .38 to calculate an initial selling price of \$3.13.

- ☐ Calculate an *actual selling price* by rounding the initial selling price up/down to an even currency number. (e.g., nickel, dime, quarter, dollar, etc. In this case \$3.15.)
- ☐ Before finalizing the actual selling price go to Step 13 to consider other pricing factors. Enter a final actual selling price on the cost card.
- ☐ Calculate the items' COGS percentage based on the actual selling price by dividing the total cost by the actual selling price. Enter the percentage figure on the cost card.

**Example:** The total cost of the Philly Cheese Steak sandwich is \$1.19 and the actual selling price has been set at \$3.15. Divide the \$1.19 by \$3.15 to calculate COGS of 37.7777% (Rounded to 38%)

COST CARD					
ITEM: Philly Cheese Steak				Date 7 July XX	
Quantity	Recipe Unit	Ingredient	Unit Cost	Total Unit Cost	Notes
½	Oz	Salad Oil	.057	.028	
¼	Oz	Sandwich Seasoning Mix	.08	.02	
4	Oz	Philly Steak Meat	.17	.68	
½	Oz	Onions, grilled	.02	.01	
½	Oz	Green Peppers, grilled	.04	.02	
1½	Oz	Provolone Cheese (3 slices)	.111	.167	
1	Ea	French Sub Roll	.20	.20	
1	Ea	Condiment Charge	.06	.06	
<b>Recipe Total Cost</b>				<b>\$ 1.185</b>	
<b>COGS 38%</b>		<b>Initial Selling Price \$ 3.13</b>		<b>Actual Selling Price \$ 3.15</b>	

## **Evaluate Current Fees, Prices and Charges**

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- ☐ If you are using none of the other pricing methods, go to Step 13.

**Step 10** Determine the selling price for items that are traditionally priced using a **Markup Percentage Method**. (e.g., retail items to be sold at the golf or bowling pro shops.)

- ☐ Determine the raw cost of the item that you wish to price. Include all parts of the raw cost (price from the supplier, shipping or handling charges, insurance charges, discounts, etc.). Document these on your stock records. (See example below).

Econo Golf Balls (Titleist DS-2)			STOCK CARD
Net Cost		Each 1.06	
Supplier	Units	Cost per Case	Cost per Each
Eagle Supply Co.	12	11.52	.96
Shipping Charges		1.20	.10

- ☐ Total the individual raw costs to determine the total cost of the item. Example shows a total cost of \$1.06 each when the shipping charges are added to the supplier's cost.
- ☐ Identify your markup percentage standard/goal. Use local historical percentages, competitive information gathered from focus groups/surveys, or the goal determined during the budget input process or when doing a BEP analysis. There may be a range of markup percentages depending on the type of product to be priced. (e.g., soft lines, hard lines, high ticket items, etc.)

Example of Range:

- Hard Lines 30-10%
- Soft Lines 30-20%
- High Ticket Items 20-10%

- ☐ Calculate the indicated selling price by multiplying the total raw cost by the markup percentage multiplier.

<b>NOTE:</b>	If you lack historical records or standards, you can identify competitor prices from which you calculate your markup.
--------------	---

**Step 10  
(cont.)**

**Example:** The total cost of our golf ball is **\$1.06** and the standard markup percentage was determined to be **25%**.

Add 25% (.25) to 100% (1.0) to arrive at 1.25 the markup percentage multiplier.

Multiply total cost **1.06** times markup percentage multiplier **1.25** to calculate the indicated selling price.

**$1.06 \times 1.25 = \$1.325$**  rounded first to **\$1.33** the indicated selling price, then to **\$1.35**, an even change/currency number. (e.g., nickel, dime, quarter, dollar figure, etc.) .

**NOTE:** This Markup Method of pricing and the Cost-of-Goods Methods of pricing are **NOT** the same.

Often, the Command, uninformed FFR staff, and customers will use these expressions as if they were synonymous.

A conversion table is provided at the end of this task for your use when explaining the difference.

***Few terms are more misunderstood than "Mark-Up" and Gross "Profit".***

**Mark-up** is the percentage of the amount you earn on the **COST** of an item to you. **Gross Profit** is the percentage of the amount you earn on the **SELLING PRICE** of an item.

**Mark-Up...**, A brand costs \$100 and brings in \$125--that's \$25 over cost. Divide the cost (\$100) into the earnings (\$25) and you get a percentage of 25%. That's your mark-up on cost.

**Gross Profit...**, A brand costs \$100 and brings in \$125--that's \$25 over cost. Divide the selling price (\$125) into your earnings (\$25) and you get a percentage of 20%. That's your gross profit. This tells you that you are earning .20 on each dollar of sales to meet your cost of operations and net profit goals, if any.

☐ If you are using none of the other pricing methods, go to Step 13.

**Step 11**

Determine the selling price of activities and services that are traditionally priced using the **Assess Competition Method**. (e.g., Marina slip rental, line of bowling, round of golf, etc.)

- ☐ Identify your competition, if any exists, both in the private sector and at nearby military Commands, whose program services are similar to yours.

**NOTE:** This pricing method has you price by comparing yourself to your "like" competition as perceived by your customers/patrons who evaluate you by your benefits and customer service as well as the value, price, products, and services.

If no competition exists for your Program, OR if you are located in a high cost/resort area, and adjustments to your Program fees, prices, or charges are still necessary, go to Step 12 for instruction on using the Cost Plus method of setting or changing fees, prices, and charges. Contact CNIC N92 for price range information for similar FFR Programs.

- ☐ Complete either one of the two Assess Competition Worksheets. Choose between Assess Competition Worksheet or Detailed Assess Competition Worksheet. (See guidance, examples and blank worksheets at the end of the task.)
- ☐ Pay particular attention to the sections pertaining to the competition's fees, prices, and charges.
- ☐ Using the guidelines presented in the task, Assess Competition, assess as many competitors as you can.
- ☐ Complete the Compare Competition Tally Sheet which compiles all the Assess Competition Worksheets on one form.
- ☐ Compare your fees, prices, and charges with your competition.
  - Current FFR pricing guidelines state that our fees, prices, or charges should be in a window that ranges to 25% lower than the private sector competition - (within 75% of the competitor's price.)
  - Example: If the competitor's price for a line of bowling is \$2.50, then our price for a comparable line of bowling should be in the window from \$1.88 to \$2.50. (Competitor's price \$2.50 x .75 equals the lowest price in the range, in this case \$1.88.)
- ☐ If you are using none of the other pricing methods, go to Step 13.

**NOTE:** Use middle/average pricing whenever using graduated charges based on customer income.

*See example of Assess Competition Method on next page.*



## Evaluate Current Fees, Prices and Charges

### Step 11 (cont.)

IF YOUR FEE, PRICE, OR CHARGE IS:	AND:	THEN:
<p>Lower than the competition's prices minus 25%.</p> <p>Example: Their price is \$2.50 while ours is less than \$1.88.</p>	You are <b>NOT</b> meeting your financial goals	<ol style="list-style-type: none"> <li>1. Raise prices to be within 25% of competition.</li> <li>2. The decision to adjust fees, prices, and charges upward to place them closer to the competition should be based on consensus. The FFR senior management and the Command should have input before arriving at a decision. The key factor should be the impact on the net profit, and if the Program is meeting standards and if capitalization requirements are being met.</li> <li>3. Go to Step 13.</li> </ol>
	You need to recapitalize	
	There are unmet needs in the FFR Department	
<p>Within the 25% window of the competition.</p> <p>Example: Their price is \$2.50 while ours is between \$1.88 and \$2.50</p>	You need to recapitalize	<ol style="list-style-type: none"> <li>1. Adjust prices to remain within 25% of the competition.</li> <li>2. Go to Step 13.</li> </ol>
	There are unmet needs in the FFR Department	
<p>Our price is higher than the competition.</p> <p>Example: Their price is \$2.50 while ours is \$2.75</p>	You are meeting financial goals, recapitalization and FFR needs	<ol style="list-style-type: none"> <li>1. Lower prices.</li> <li>2. Note: Before making the decision to lower our fees, prices, or charges to make them more competitive, determine if the Program is meeting standards and if the capitalization requirements are being met. Brief all the key personnel in your department and the Command before deciding to lower your fees, prices, or charges.</li> <li>3. Go to Step 13.</li> </ol>
	You project that revenue losses from a price cut will be offset by increased usage and/or goodwill	

## MWR Managers' Operations Guide

**Step 12** Determine the fee, price, or charge for activities that are traditionally priced using a **Cost Plus Method**, e.g. special events, aerobics classes, tournaments, trips, etc. See blank Cost Plus Worksheet at the end of the task.

- ☐ Determine the cost using the following worksheet example. Write the estimated costs and descriptions in the appropriate lines.

COST PLUS WORKSHEET		
Program/Activity/Event	Couples Dude Ranch Trip	June 16, 20XX Date
Contractor. (e.g., instructors, officials, entertainers, etc.)	Trail ride fees & rodeo	\$ 250.00
Supplies.	Trivia stuff and bingo tickets	\$ 20.00
Security, emerg. med. svcs., safety.		\$ 0.00
Equipment/equipment rental. (A/V, staging, seating, lighting.)	Video Rentals	\$ 5.00
Advertising/promotions.		\$ 0.00
Transportation. (e.g., gasoline, tolls, driver, etc.)		\$ 255.00
Admission fee(s). (e.g., theme parks, national parks, Broadway shows, etc.) [price times total participants]	Dinner charge \$10 per couple	\$ 250.00
MWR User fee(s). (e.g., golf course, bowling, etc.). [price times total participants]		\$ 0.00
Food and beverage.	Box lunch/sodas/snacks	\$ 150.00
Labor. (e.g., setup, tear-down, escort, clean-up, etc.)	Escort	\$ 56.00
Awards, prizes, trophies, games.		\$ 50.00
Other.		\$ 0.00
Sub-Total		\$ 1036.00
FFR Overhead Charge (At least 10% of Sub-total)		\$ 104.00
Total Cost		\$ 1140.00
(1140.00 / 25 couples = \$ 45.60 per couple. Round to \$46.00)		Indicated Fee Price, or Charge
Indicated Fee, Price, Charge = Total Cost divided by the number of participants or teams/etc. Set this price using minimum participation to break-even.		Per couple \$ 46.00
<b>NOTES:</b> Awards/Prizes..., Best Costume, Funniest Hat, Best Rider, Greenest Green Horn, and Most Saddle Sores, although I'm not sure how we'll judge the latter ☺/.		

- ☐ If you are using none of the other pricing methods, go to Step 13.

**Step 13** Evaluate whether the new proposed prices have value. Use the information from your competitive analysis, customer surveys and focus groups and the pricing considerations listed below to check the value.

**Pricing Considerations:**

<ul style="list-style-type: none"><li>• What is the indicated fee, price, or charge?</li></ul>
<ul style="list-style-type: none"><li>• Is the fee, price, or charge too high?<ul style="list-style-type: none"><li>- For the customers'/patrons' price range.</li><li>- In comparison to the competition.</li><li>- Based on your FFR departmental policy.</li><li>- For the perceived value.</li></ul></li></ul>
<ul style="list-style-type: none"><li>• Is the fee, price, or charge too low?<ul style="list-style-type: none"><li>- Causing too many low dollar volume sales.</li><li>- In comparison to the competition.</li><li>- Insufficient profit.</li><li>- Based on your FFR departmental policy.</li><li>- For the perceived value.</li></ul></li></ul>
<ul style="list-style-type: none"><li>• If the fee, price, or charge is too high, what can be done to lower it?<ul style="list-style-type: none"><li>- Reduce the price.</li><li>- Reduce expenses.</li><li>- Reduce net profit requirement.</li><li>- Raise cost of goods percentage.</li><li>- Reduce overhead.</li><li>- Eliminate product line(s).</li><li>- Find additional sources of funds.</li><li>- Use coupons and other selective discounting.</li></ul></li></ul>
<ul style="list-style-type: none"><li>• If the fee, price, or charge is too low and needs adjustment, what can be done to increase it?<ul style="list-style-type: none"><li>- Increase the price.</li><li>- Increase the perceived value.</li><li>- Implement joint promotional efforts.</li><li>- Create Specials. (i.e., bundling or packaging products and services.)</li></ul></li></ul>
<ul style="list-style-type: none"><li>• Compare the indicated fee, price, or charge value with that of other customer opportunities.</li></ul>

**Step 14** Adjust the fee, price, or charge as needed.

**NOTE:** **Minor** fee, price, or charge increases based on inflation, increased COGS, or increased labor costs should be done regularly and as a routine part of doing business. It may not be necessary to use all the steps detailed in this task.

**Major** fee, price, or charge increases due to policy from higher authority, congressional changes in labor law. (e.g., increase in the minimum wage or changes in scope of program or mission should follow all the steps detailed in this task.

IF YOU CONSIDER THE PRICING ADJUSTMENT:	THEN:
Minor, as a regular part of doing business.	Go To Step 23.
Major because of a change in policy or the scope of the business.	Continue with Steps 15 - 24.

**Step 15** Identify reasons supporting the establishment of new or increased fees or prices.

Consider the following:

- How the additional income will be distributed.
- The fairness, individual benefits, and value of the new fee or price.
- Where and how efficiencies will be improved.
- New and/or improved services.
- Improvements to the product itself.
- Fees/prices and relative value compared to your competition.

**NOTE:** Communicate all the reasons supporting the price changes. Failure to accomplish this step is one of the greatest causes of conflicts in developing and implementing new fees and prices.

**Step 16** Assess opposition to proposed fees, prices, and charges or increases to existing fees, prices, and charges. Consider the following:

- ☐ Who will oppose initiation or upward change in fees, prices, or charges?
- ☐ What will be their primary objections?
- ☐ How will you overcome the objections?
- ☐ What is the best timing to introduce the pricing or price increase proposals?

**NOTE:** Anticipate that reactions to pricing or increase may not be as logical as the process you went through to set it.

**Step 17** Develop a strategy to sell the proposed new fees, prices, or charges.

PROMPT:	EXAMPLE:
Who?	Who will you talk to?
What?	What will you tell them? What else will you do to sell the change?
Why?	Why will the change benefit them?
Where?	Where will you talk to them?
When?	When will you change the price?
How?	How will you sell the change?

**Step 18** Plan and rehearse a briefing or “elevator speech” to describe and promote the proposed fees, prices, and charges or increases to existing fees, prices, or charges.

**Step 19** Arrange an appointment with your immediate supervisor to review initial pricing or price changes per local policy.

- If REGCOM or N9 approval is not required, at a minimum, provide a copy of pricing or price increase, or a memo.

IF YOU:	THEN:
Receive approval of fee, price, or charge changes	<ol style="list-style-type: none"><li>1. Prepare SOPs for signature.</li><li>2. Go to Step 20.</li></ol>
Do NOT receive approval	<ol style="list-style-type: none"><li>1. Take actions following your immediate supervisor's guidance.</li><li>2. Review analysis process.</li><li>3. Take further action as appropriate.</li></ol>

**Step 20** Conduct customer service training for all staff members working in areas affected by pricing or price changes.

- ☐ Train staff to sell the positive aspects of the change.
- ☐ Reinforce the fact that exceptional customer service--the daily rule, is even more vital during any period of change..., even when change is for the better. Everyone is suspicious of change.
- ☐ Get the staff behind all positive aspects of change and customer service, NOT prices.

**Step 21**      Schedule and brief the fee, price, or charge additions/changes.

- Managers, supervisors and support staff.
- Staff. (For customer service/impact discussions.)
- Advisory councils and committees, if applicable.

☐ Get the members of these groups fully behind the initiation of pricing or price increase.

<b>NOTE:</b>	Failure to communicate the benefits and value as well as the reasons for, and implications of, pricing, or price change, is one of the greatest causes of conflicts in developing and implementing new prices.
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☐ Be prepared to explain:

- Income distribution.
- Fairness, benefits, and value of price.
- Efficiency implications.
- Service improvements.
- Product improvements.
- Current competition charges.
- Cost of product or service provided.

☐ Highlight value advantages, increased services, and improved quality of products.

☐ Downplay fee, price, or charge increase.

**Step 22**      Publish new fee, price, or charge structure at least 30 days in advance of effective price increases.

☐ Publicize all changes in fees, prices, and charges as soon as known.

☐ Highlight advantages, increase services, products, environmental changes.

☐ Downplay price increase. Highlight the benefits/value added!

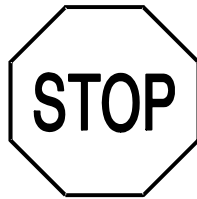
**Step 23**      Ensure fees, prices, and charges are being administered per your SOP on local fees, prices, and charges.

☐ Revise SOP if appropriate.

**Step 24**      Ensure all fee, price, or charge change details are accomplished.

☐ Reprogram electronic cash registers and Point of Sale (POS) systems.

☐ Post fee, price, or charge changes. (Use menus, menu boards, signs, etc.)



***Congratulations! You've completed this task.***

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**Additional resources, example forms and blank forms may be found on the following pages.**



## OPERATING AND FINANCIAL STANDARDS and GUIDELINES FOR MWR BUSINESS ACTIVITIES (CNICINST 1710.3 (series) Chapter 25.)

The following financial and operating standards and guidelines establish minimum levels of performance to ensure Navy MWR Programs (activities) are fiscally and operationally sound.

- Financial standards and guidelines *govern* major cost centers and activity profitability.
- Operating guidelines *recommend* levels of performance, facility maintenance, marketing procedures, and customer satisfaction as indicators of well-managed MWR food and beverage activity operations.

The following minimum levels of financial performance must be achieved by each listed MWR Program (activity) on the base:

Type of Support	Standard
APF Support	Category A -- 100% of eligible Category A program expenses are authorized APF support. A minimum of 85% of eligible expenses are to be funded with APF.  Category B -- 100% of eligible Category B program expenses are authorized APF support. A minimum of 65% of eligible expenses are to be funded with APF.
NAF Fund Performance	For a full fiscal year basis, the MWR fund should be a minimum of breakeven on a net income basis (e.g., revenue fully offsets all expenses including depreciation expense.)

### MWR Food and Beverage

DESCRIPTION	FOOD AND BEVERAGE OPERATION TYPE				
	Full Service	Quick Service	Snack Bars	Catering	Combined Food and Beverage
Cost of Goods Sold	38%	35%	35%	30%	38%
Labor Cost	35%	35%	35%	30%	35%
Other Operating Costs	22%	22%	20%	22%	22%
Net Income	5%	8%	10%	18%	5%
Miscellaneous fees and charges should be established at approximately 75 percent of prices at comparable off-base facilities.					

## **Food and Beverage Operation Type Definitions**

1. Full Service. An operation that provides food and beverage service to patrons who order and are served while seated and pay their bill after completing the meal. Carry out items may be offered as an additional service.

Full service dining operations may include, but are not limited to: Clubs, Hotel/Resorts and Casual Dining establishments. These operations may or may not offer alcoholic beverages. If the operation offers alcoholic beverages and alcohol sales exceed 25 percent of total sales, these sales and expenses will be accounted for in a separate bar department on the activity income statement.

2. Quick Service (QSR). These operations primarily serve fast food with an emphasis on speed of service where the patron pays for the food prior to consuming it. Table side service is not available. Facilities that have quick service dining may include, but are not limited to: Internal Navy brands, Navy Contracted Brands, and National Name Brand Fast Food. These operations may be operated by MWR, a MWR contractor, or a NEX contractor. Alcoholic beverages may be offered in a limited capacity. A full service bar is not available. If the operation offers alcoholic beverages and alcohol sales exceed 25 percent of total sales, these sales and expenses will be accounted for in a separate bar department on the activity income statement.

3. Snack Bars. An establishment that provides snack style, fast foods to include candies, chips, non-alcoholic beverages, popcorn and simple, readymade items such as hot dogs and nachos. Table side service is not offered. Limited cooking equipment is utilized and full kitchen areas are not available in these operations. An example of this type of operation is a movie theater snack bar.

4. Catering. A facility primarily engaged in providing single event-based, full service food and beverage for banquets, weddings and private parties, both on and off premises. The establishment can host meetings, trainings, special events, and conferences. Full service bar operations are typically available. If the operation offers alcoholic beverages and alcohol sales exceed 25 percent of total sales, these sales and expenses will be accounted for in a separate bar department on the activity income statement.

## Evaluate Current Fees, Prices and Charges

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### Bowling Center Activity

#### Financial Standards:

Description	Category C	Category B
<b>Cash Flow</b> (Activity Net Income before Depreciation)	25%	10%

#### Financial Guidelines:

Description	Category C	Category B
<b>Merchandise, COGS</b> (XX-401-XX)	60%	65%
<b>Program Operations</b> (Department 10), Direct Labor Cost	50%	65%
Fees and charges should be established at approximately 75% of prices at comparable off-base facilities.		

### Golf Course Activity

#### Financial Standards:

Description	Percent of:	Standard
<b>Activity Net Profit</b> (Percent of Total Revenue)	Total Revenue	10%
<b>Cash Flow</b> (Activity Net Income before Depreciation)	Total Revenue	15%

#### Financial Guidelines:

Description	Percent of:	Guideline
<b>Direct Labor</b> (Salary/Benefits)		
Food	Total Department 01 Revenue	35%
Bar	Total Department 02 Revenue	25%
Pro Shop/Retail	Total Department 03 Revenue	7%
Program Cart Rental	Total Departments 10 and 12 Revenue	35%

## MWR Managers' Operations Guide

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Cost of Goods Sold		
Food	Resale Revenue Account 40-301-01	35%
Bar	Resale Revenue Account 40-301-02	25%
Merchandise	Resale Revenue Account 40-301-03	75%

Provide golf programs that are managed by certified and trained professionals (18 holes and more) and offer programs, instruction and services that compare to the best public golf courses in the United States.

Emphasize course sizing and playing conditions to stimulate increase activity and customer satisfaction.

Prominently display comment/suggestion cards, and ensure management reviews those received and when appropriate, provide written or verbal replies.

Structure fees to ensure equity for all; increase revenues to ensure re-capitalization needs are consistently met.

### Category “C” Marina Activity

#### Financial Standards:

Description	Percent of:	Standard
<b>Activity Net Profit</b> (Percent of Total Revenue)	Total Revenue	20%
<b>Cash Flow</b> (Activity Net Income before Depreciation)	Total Revenue	25%
Fees and charges should be established at approximately 75% of prices at comparable off-base facilities.		

#### Supplementary Financial and Operating Guidelines:

1. Achieve the net profit on all revenue as presently calculated on the MWR Financial Statements. Required operating profit standard is inclusive of all authorized APF support, and properly allocated MWR Fund expenses. (e.g., utilities)
2. Achieve a minimum break-even point (BEP) for food departments.
3. Determine and achieve BEP plus the required percent net profit margin.
4. Assign responsibility for, and account for all inventory and all cash receipts. Ensure system includes retail accountability, guest checks, high-cost/sensitive item inventory control, and use of receipts for customer cash payments.

Operating and Financial Standards

### **Evaluate Current Fees, Prices and Charges**

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5. Ensure pricing achieves required minimum Cost of Goods Sold (COGS) and profitability consistent with local competitive position and perceived value.
  6. Review prices at least semi-annually.
  7. Accomplish budget-to-actual variance analysis monthly and make adjustments as needed.
  8. Review the activities, events, products and services of all Programs annually to assess cost effectiveness.
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### MARKUP VS. COST OF GOODS CONVERSION CHART

MARKUP PERCENTAGE	MULTIPLIER TO CALCULATE SALES PRICE	EQUIVALENT GROSS PROFIT PERCENTAGE	EQUIVALENT COGS PERCENTAGE
10%	1.10	9.09%	90.91%
15%	1.15	13.04%	86.96%
20%	1.20	16.67%	83.33%
25%	1.25	20.00%	80.00%
30%	1.30	23.08%	76.92%
35%	1.35	25.93%	74.07%
40%	1.40	28.57%	71.43%
45%	1.45	31.03%	68.97%
50%	1.50	33.33%	66.67%
55%	1.55	35.48%	64.52%
60%	1.60	37.50%	62.50%
65%	1.65	39.39%	60.61%
70%	1.70	41.18%	58.82%
75%	1.75	42.86%	57.14%
80%	1.80	44.44%	55.56%
85%	1.85	45.95%	54.05%
90%	1.90	47.37%	52.63%
95%	1.95	48.72%	51.28%
100%	2.00	50.00%	50.00%

## A FOOD COSTING EXAMPLE

The following demonstrates one way to cost and price food items:

1. Assemble documents needed to cost food recipes.

**Include the following:**

- ☐ Pricing worksheet.
- ☐ Recipes/cost cards from all sources for items on your menu.
- ☐ Current inventory sheets.
- ☐ Current month's (most recent) invoices.
- ☐ Local or regional specifications used for purchases.
- ☐ Blank cost cards.

2. Validate existing recipe cost information to ensure it can be used at your operation.

**Ensure each cost card meets the following criteria:**

- ☐ Same/similar recipe ingredients are listed.
- ☐ Recipe units are accurate.
- ☐ Unit costs are realistic/current for your geographical area within a 5% cost variance.
- ☐ Total unit costs for all ingredients are calculated correctly.
- ☐ Total cost of menu item is calculated correctly.

3. Complete/update a cost card for each menu item/recipe using the following method and example on the next page.

**Enter the following information:**

- ☐ Menu item **(A)**.
- ☐ Date **(B)**.
- ☐ Quantity (number of units used) **(C)**.
- ☐ Recipe Unit (e.g., oz., lb., ea., qt.) **(D)**.
- ☐ Ingredient (include everything that is used in the recipe/item) **(E)**.
- ☐ Unit Cost (cost per each recipe unit e.g., cost per oz., ea., tsp.) **(F)**.

**NOTE:** To calculate the unit cost, divide the cost of the purchased size/unit by the number of the recipe units available.

**Example:**

French Sub Roll. Purchased pack and cost = 12 pack for \$2.40,  
Unit cost = \$2.40 divided by 12 = 20 cents each.

- ☐ Total Unit Cost **(G)**. **(C) X (F) = (G)**
- ☐ Recipe Total Cost **(H)**. (Sum of column **G**)

See additional information below the Cost Card on the next page:

## MWR Managers' Operations Guide

COST CARD					
ITEM: Philly Cheese Steak (A)			Date 7 July XX (B)		
Quantity (C)	Recipe Unit (D)	Ingredient (E)	Unit Cost (F)	Total Unit Cost (G)	Notes
½	Oz	Salad Oil	.057	.028	
¼	Oz	Sandwich Seasoning Mix	.08	.02	
4	Oz	Philly Steak Meat	.17	.68	
½	Oz	Onions, grilled	.02	.01	
½	Oz	Green Peppers, grilled	.04	.02	
1½	Oz	Provolone Cheese (3 slices)	.111	.167	
1	Ea	French Sub Roll	.20	.20	
1	Ea	Condiment Charge	.06	.06	
Recipe Total Cost				\$ 1.185 (H)	
COGS 38 (I)	Initial Selling Price \$ 3.13 (J)		Actual Selling Price \$ 3.15 (K)		

4. Calculate an initial selling price for each menu item and enter it at (J).

**NOTE:** Total recipe cost ÷ COGS % = initial selling price.

**Example:** \$ 1.19 ÷ .38 = \$ 3.13 (This price will probably change before a final actual selling price is determined.)

5. Select an actual selling price and enter at (K).

**Use any of the following to determine the actual selling price:**

- Current prices.
- Nearest competitor's price.
- Previous prices.
- Best guess on what customer will pay.
- Calculated, using a given COGS percentage.
- Rounding to nearest currency... nickel, dime, quarter, dollar, etc.



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## Evaluate Current Fees, Prices and Charges

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6. Calculate Food Cost Percentage **(I)** using the actual selling price.

**Example:**

Total Recipe Cost **(H)** ÷ Selling Price x 100 = Food Cost % **(I)**.  
\$ 1.185 ÷ \$3.15 x 100 = 37.62% (38%)

Enter Food Cost Percentage at **(I)**.

**NOTE:** Pricing everything on a menu at the same COGS percentage is not in the best interest of your food program. This is because some items would be priced too low, for example if a whole menu was priced at 30% COGS a 12 oz soda may end up with an initial price of 45 cents while a Chef Salad may be at \$7.00.

A good COGS pricing mix will result in a realistic overall COGS. This means that each item being sold should contribute to a desired overall Cost Of Goods even though the calculated COGS for each item may differ quite a bit. For example beverages may be priced at 15% COGS, side items at 25% COGS and sandwiches at 40% COGS.

Packaging is helpful in achieving an acceptable overall COGS. Adding low cost items like soda and french fries to a higher cost steak sandwich and priced as a combo meal will result in an acceptable price to the customer and an acceptable COGS to you.

## A BEVERAGE COSTING EXAMPLE

The following demonstrates one way to cost and price beverage items:

1. Assemble documents needed to cost food recipes.

**Include the following:**

- ☐ Pricing worksheet.
- ☐ Recipes/cost cards from all sources for items you serve.
- ☐ Current inventory sheets.
- ☐ Current month's (most recent) invoices.
- ☐ Local or regional specifications used for purchases.
- ☐ Blank cost cards.

2. Complete a cost card (see sample on following page) for each beverage recipe to include:

- ☐ Beverage name **(A)**.
- ☐ Drink Category **(B)**.
- ☐ Date **(C)**.
- ☐ Glass Type **(D)**.
- ☐ Pouring Instructions **(E)**.
- ☐ Quantity (number of units used) **(F)**.
- ☐ Recipe Unit (e.g., oz., each) **(G)**.
- ☐ Ingredients (include everything that makes up the item) **(H)**.
- ☐ Unit Cost (e.g., cost per ounce, each) **(I)**.

**NOTE:** Determine unit cost by dividing the cost of the purchase size/unit by the total number of recipe units. There are 33 one-ounce servings in one liter bottle and 25 one-ounce servings in a 750 ml bottle.

- ☐ Calculate Total Unit Cost **(J)** for each ingredient using the following formula:

- Quantity **(F)** x Unit Cost **(I)**.

Example for Seven Up:

- Quantity **(F)** 3 oz x Unit Cost **(I)** \$.04 = Total Unit Cost **(J)** \$.12.

- ☐ Calculate Total Cost **(K)** for beverage recipe by adding the numbers in column **(J)** Total Unit Cost.

Ice		<b>Pouring Instructions:</b> (E) <i>Build</i>	
Recipe Unit (G)		Ingredient	(H)
Oz		SEAGRAM'S SEVEN	
Oz		SEVEN-UP	

## MWR Managers' Operations Guide

3. Use the Drink Pricing Category Guide below to determine each drink's pricing category.

<b>DRINK PRICING CATEGORY GUIDE</b>		
<b>IF A DRINK HAS A:</b>	<b>THEN DRINK CATEGORY IS:</b>	<b>EXAMPLES:</b>
Single shot of liquor -- with or without a standard mixer, and called by "Type".	Well shots and highballs.	<ul style="list-style-type: none"> <li>• Screwdriver.</li> <li>• Tequila shooter.</li> <li>• Bourbon &amp; Water.</li> </ul>
Single shot of liquor -- with or without a standard mixer, and called by "Name".	Call shots and highballs.	<ul style="list-style-type: none"> <li>• Seven &amp; Seven.</li> </ul>
Single shot of Premium liquor -- with or without a standard mixer, and called by "Name".	Premium Shots Highballs and liqueurs.	<ul style="list-style-type: none"> <li>• Absolut Screwdriver.</li> <li>• Jeagermeister.</li> <li>• Drambuie.</li> <li>• Chivas on the Rocks.</li> </ul>
Single shot of Well liquor -- mixed/ stirred with another liquor, such as Vermouth, and served in a presentation glass. (Usually garnished with olives, fruit, etc.)	Well cocktails.	<ul style="list-style-type: none"> <li>• Martini.</li> <li>• Rob Roy.</li> <li>• Manhattan.</li> </ul>
Single shot of Call liquor -- mixed/ stirred with another liquor, such as Pernod, and served in a presentation glass. (Usually garnished with olives, fruit, etc.)	Call cocktails.	<ul style="list-style-type: none"> <li>• Gibson.</li> </ul>
Single shot of Premium liquor -- mixed/ stirred with another liquor, such as Drambuie, and served in a presentation Glass. (Usually garnished with olives, fruit, etc.)	Premium cocktails.	<ul style="list-style-type: none"> <li>• Bombay Gibson.</li> <li>• Southern Comfort.</li> <li>• Manhattan.</li> <li>• Dewar's Rob Roy.</li> <li>• Tanqueray Martini.</li> </ul>
Mixture of one or more Well liquors or liqueurs -- layered or blended with one or more alcoholic or non-alcoholic mixers, (fruit or cream). Requires more extensive production and served in a specialty glass, with or without garnish.	Specialty / Exotic.	<ul style="list-style-type: none"> <li>• Margarita.</li> <li>• Daiquiri.</li> <li>• Pina Colada.</li> <li>• Rum Runner.</li> </ul>
Non-alcoholic and drawn from post/pre-mix tanks, bottles/cans, or a concentrate mixed with water.	Soda and fruit juice.	<ul style="list-style-type: none"> <li>• Cola, 7-Up, Sprite.</li> <li>• Orange Juice.</li> </ul>
Non-alcoholic, bottled, flavored, may or may not be carbonated.	Bottled tea and water.	<ul style="list-style-type: none"> <li>• Mineral Water. (e.g. Perrier)</li> <li>• Iced Tea. (Mystic, Lipton)</li> <li>• Sports Drinks. (e.g. Powerade).</li> </ul>

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Evaluate Current Fees, Prices and Charges

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DRINK PRICING CATEGORY GUIDE (cont.)		
IF A DRINK IS A:	THEN DRINK CATEGORY IS:	EXAMPLES:
Non-alcoholic, espresso based -- mixed/stirred with another ingredient such as steamed milk or chocolate.	Specialty coffees.	<ul style="list-style-type: none"><li>• Caffé Latte.</li><li>• Mochaccino.</li></ul>
Alcoholic beverage -- brewed or made in the U.S. -- and served from a keg or box.	Beer -- Domestic draft.	<ul style="list-style-type: none"><li>• Miller Lite.</li><li>• Budweiser.</li></ul>
Wine served from box or bottle.	House wine.	<ul style="list-style-type: none"><li>• Chardonnay.</li></ul>
Alcoholic beverage -- brewed or prepared in the U.S. -- and served in the bottle or can.	Beer -- Domestic bottle/can.	<ul style="list-style-type: none"><li>• Michelob.</li><li>• Budweiser.</li></ul>
Brewed or prepared outside of the U.S. -- and served from a keg.	Imported / Premium draft.	<ul style="list-style-type: none"><li>• Heineken.</li></ul>
Alcoholic beverage -- brewed or prepared outside the U.S. -- and served in the bottle or can.	Beer -- Imported / Premium bottle/can.	<ul style="list-style-type: none"><li>• Corona.</li><li>• Foster's.</li></ul>
Wine based beverage -- may or may not be carbonated -- and served in the bottle.	Wine cooler.	<ul style="list-style-type: none"><li>• Bartles &amp; Jaymes.</li></ul>

- Complete a pricing worksheet to determine category-selling prices based on what other operations are charging in your region and off base. See example on the following page.
- Price all of your beverages in this manner. (e.g., beer, wine, soda, juice, bottled water). Add selling price to your Cost Card at **(L)**.
- Determine Pour Cost (COGS) percentage by dividing total cost by the suggested selling price and enter in Cost Card at **(M)**.

**Total Cost (K) ÷ Selling Price (L) x 100 = Pour Cost % (M).**

Example for Seven & Seven:

$$\$ .51 \div \$3.00 \times 100 = 17\%$$

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**STEPS TO COMPLETE A BEVERAGE PRICING WORKSHEET**

1. Contact as many similar operations in the region and ask them to provide you with their prices for all categories listed. Responses may be quicker and more accurate if you send them a blank list. Remember to consider other operations on base.
2. Contact as many off-base civilian operations as reasonable and collect the same information. This may require collecting menus, talking to staff members, and simply observing.
3. Calculate the average prices in each category by dividing the sum of prices in each category by the number of operations. **Remember to do this separately for the region list and civilian list.**
4. Enter the results on the worksheet.

**Example:**

<b>BEVERAGE CATEGORY PRICING WORKSHEET</b>			
<b>CATEGORY:</b>	<b>AVG. REGION</b>	<b>AVG. OFF-BASE</b>	<b>SUGGESTED PRICE</b>
Well shots And Highballs.	\$2.50	\$3.50	\$2.50
Call shots And Highballs.	\$2.75	\$4.00	\$3.00
Premium shots, Highballs, and Liqueurs.	\$3.25	\$4.50	\$3.50
Well Cocktails.	\$3.00	\$4.00	\$3.00
Call Cocktails.	\$3.50	\$4.50	\$3.50
Premium Cocktails.	\$3.75	\$5.00	\$4.00
Specialty / Exotic.	\$4.50	\$6.00	\$5.00
Soda and Fruit Juice.	\$1.00	\$1.75	\$1.00
Bottled Tea and Water.	\$1.25	\$2.00	\$1.50
Specialty Coffees.	\$1.50	\$2.75	\$1.25
Beer -- Domestic draft.	\$1.50	\$2.50	\$1.50
House wine.	\$1.75	\$3.00	\$2.00
Beer -- Domestic bottle/can.	\$1.50	\$2.50	\$1.75
Imported/Premium draft.	\$1.75	\$4.00	\$2.00
Beer -- Imported/Premium bottle/can.	\$2.25	\$5.00	\$2.50
Wine Cooler.	\$2.50	\$4.00	\$2.50

**Evaluate Current Fees, Prices and Charges**

<b>FEES, PRICES, AND CHARGES JUSTIFICATION WORKSHEET</b>		
<b>Questions/Comments</b>	<b>Yes</b>	<b>No</b>
Will increasing or establishing fees, prices, and charges do one or more of the following?		
• Increase/maintain the number of customers/patrons?		
• Increase/maintain the kinds and/or numbers of activities, events, services, or products you offer?		
• Improve/maintain the quality of programs offered?		
<b>Comments:</b>		
Will increasing or establishing fees, prices, and charges increase, or at least avoid decreasing, total MWR self-sufficiency performance?		
<b>Comments:</b>		
Is the fee, price, or charge or increased fees, prices, or charges absolutely necessary?		
<b>Comments:</b>		
<p><b>"NO"</b> Answers indicate problems that may need to be corrected before implementing any new fees, prices, or charges or adjusting any existing fees, prices, or charges.</p> <p>Uncorrectable <b>"NO"</b> answers indicate that implementation of fees, prices, and charges or adjustment of existing fees, prices, and charges is <b>NOT</b> justified.</p>		

FEES, PRICES, AND CHARGES JUSTIFICATION WORKSHEET, (cont.)		
Questions/Comments	Yes	No
Is a fee, price, or charge or increased fee, price, or charge the only way to cover the cost? (See Solicit/Obtain Creative Funding or In Kind, Task 5.1, <u>Prepare NAF Budget Projections.</u> )		
<b>Comments:</b>		
Have you made accurate and realistic plans for use of the money that the proposed fee or fee increase would cause?		
<b>Comments:</b>		
Is the fee, price, or charge fair for all frequent and infrequent users?		
<b>Comments:</b>		
Is the collection system simple and enforceable?		
<b>Comments:</b>		
<p><b>"NO"</b> Answers indicate problems that may need to be corrected before implementing any new fees, prices, or charges or adjusting any existing fees, prices, or charges.</p> <p>Uncorrectable <b>"NO"</b> answers indicate that implementation of fees, prices, and charges or adjustment of existing fees, prices, and charges is <b>NOT</b> justified.</p>		



**Evaluate Current Fees, Prices and Charges**

<b>FEES, PRICES, AND CHARGES JUSTIFICATION WORKSHEET, (cont.)</b>		
<b>Questions/Comments</b>	<b>Yes</b>	<b>No</b>
Are the fees, prices, and charges higher than the cost of collecting them? (e.g., staffing, cash registers, and other controls.)		
<b>Comments:</b>		
Can you establish this fee, price or charge WITHOUT creating a "nuisance" fee?		
<b>Comments:</b>		
Will the benefit or worth be greater than customer opposition?		
<b>Comments:</b>		
Is the fee, price, or charge in line with Command/Region interests?		
<b>Comments:</b>		
Will the Command/Region approve the pricing schedule?		
<b>Comments:</b>		
<p><b>"NO"</b> Answers indicate problems that may need to be corrected before implementing any new fees, prices, or charges or adjusting any existing fees, prices, or charges.</p> <p>Uncorrectable <b>"NO"</b> answers indicate that implementation of fees, prices, and charges or adjustment of existing fees, prices, and charges is <b>NOT</b> justified.</p>		

## MWR Managers' Operations Guide


NAF COSTS / REVENUE WORKSHEET		
For: _____	Date/Time Period _____	
<b>NAF COSTS/EXPENSES</b>		
Cost of Goods Sold	\$	
Direct Expenses	\$	
Applicable G&A Expenses	\$	
<b>Total Program Specific NAF Costs/Expenses (1) →</b>		
<b>NAF REVENUE</b>		
Resale Revenue	\$	
Program Revenue	\$	
Miscellaneous Revenue	\$	
<b>Total Program Specific NAF Revenue (2) →</b>		
<b>Number Users/Units (3) →</b>		
<b>NAF Cost per User/Unit (1) divided by (3) →</b>		(4)
<b>NAF Revenue per User/Unit (2) divided by (3) →</b>		(5)
<b>NET RESULTS (4) MINUS (5)</b>		
<b>If (4) is Higher - Net subsidized NAF Cost per User/Unit is →</b> (Line 4 minus Line 5)		\$
<b>If (5) is higher - Net Surplus NAF Revenue per User/Unit is →</b> (Line 5 minus Line 4)		\$

**Evaluate Current Fees, Prices and Charges**

<b>COST PLUS WORKSHEET</b>	
Program/Activity/Event _____	Date
Contractor. (e.g., instructors, officials, entertainers, etc.)	
Supplies.	
Security, emg. med. svcs., safety.	
Equipment/equipment rental. (A/V Staging, seating, lighting.)	
Advertising/promotions.	
Transportation. (e.g., gasoline, tolls, driver, etc.)	
Admission fee(s). (e.g., theme parks, national parks, Broadway shows, etc.) [price times total participants]	
MWR User fee(s). (e.g., golf course, bowling, etc.). [price times total participants]	
Food and beverage.	
Labor. (e.g., setup, tear-down, clean-up, etc.)	
Awards, prizes, trophies.	
Other.	
<b>Sub-Total</b>	<b>\$</b>
<b>MWR Overhead Charge (At least 10% of Sub-total)</b>	<b>\$</b>
<b>Total Cost</b>	<b>\$</b>
<b>Indicated Fee Price, or Charge</b>  <i>Indicated Fee, Price, Charge = Total Cost divided by the number of participants or teams/etc. Set this price using minimum participation to break-even.</i>	<b>\$</b>
<b>NOTES:</b>	

### COMPARE COMPETITION TALLY SHEET

Prepared by: S. LeonardDate: 6/18/XXProgram: Intramural Softball

Preparation Instructions:	BUSINESS # <u>1</u> <i>Lincoln City P&amp;R</i>	BUSINESS # <u>2</u> <i>YMCA</i>	BUSINESS # <u>3</u> <i>New Bern P&amp;R</i>
<ul style="list-style-type: none"> <li>Use one sheet for each three competitors assessed.</li> <li>Check under the appropriate column to indicate whether your Program is better, the competition is better, there's little difference, or NA if the comparison is inconsequential to whatever you are trying to decide about your Program.</li> <li>Change or add comparison elements as appropriate.</li> </ul>	We're Better! No Significant Differences They're Better! NOT Applicable/Compared	We're Better! No Significant Differences They're Better! NOT Applicable/Compared	We're Better! No Significant Differences They're Better! NOT Applicable/Compared
<b>FACILITY DESCRIPTION:</b> <i>We need brick dust infield, cut grass more often, and add water fountains and shade areas.</i>	✓	✓	✓
<b>ACTIVITIES &amp; EVENTS:</b> <i>Post-season tournaments.</i>	✓	✓	✓
<b>PRODUCTS &amp; SERVICES:</b> <i>One umpire seems standard for the area.</i>	✓	✓	✓
<b>EQUIPMENT:</b> <i>Personal and team equipment provided by MWR.</i>	✓	✓	✓
<b>SERVICE &amp; VALUE:</b> <i>We've got the best prices!</i>	✓	✓	✓
	✓	✓	✓
<b>NOTES:</b> <div style="display: flex; align-items: center; margin-top: 10px;">  <div style="border: 1px solid black; border-radius: 50%; padding: 10px; width: fit-content;">             The italics in the example above represents the hand-written notes of the MWR staffer who performed this competitive analysis.           </div> </div>			

**Evaluate Current Fees, Prices and Charges**

<b>ASSESS COMPETITION WORKSHEET</b> <b>EXAMPLE OF A BUSINESS LIKE AN MWR CATEGORY "A"</b>	
<b>PROGRAM NAME:</b>	<b><i>Lincoln City Parks and Recreation Department -- Adult Softball Program.</i></b>
<b>FACILITY DESCRIPTION &amp; CONDITION:</b>	<b><i>Lincoln City Sports Complex. 4 lighted, regulation (ASA) softball diamonds. 300' fence on 2 fields and 2 fields without fence. Clay and decomposed granite and brick dust infields (good surface). Outfield grass is bermuda which is cut low and has automatic irrigation. Backstop and dugout/foul line fencing relatively close to the field. All areas are clean and well maintained.</i></b>
<b>ACTIVITIES &amp; EVENTS OFFERED:</b>	<b><i>Recreational and competitive level leagues, men's, women's and co-ed leagues operate from early March through September. Co-sponsored tournaments held weekly (high demand for fields on weekends). Leagues play from 14-18 games each season. No post-season tournaments.</i></b>
<b>PRODUCTS &amp; SERVICES OFFERED:</b>	<b><i>Concession stand operated by City Parks and Recreation. No maintenance performed on fields between games. Infield is dragged and watered at the end of the night. Lined, dragged, and raked before evening games. Modified ASA rules (use the home plate mat). 1-hr., 10- min. time limit for games. 15-run rule after 4 innings.</i></b>
<b>EQUIPMENT AVAILABILITY &amp; CONDITION:</b>	<b><i>Water fountains at end of dugout. Good spectator seating. Lots of shade areas near concession and seating areas.</i></b>
<b>SERVICE QUALITY AND VALUE TO CUSTOMERS/ PATRONS:</b>	<b><i>Beer can be consumed on the premise with permit (available from City Hall). Fans and players like this. Officials from same local association as those on base. 1 umpire per game. Trophies to winning and second place teams. Individual trophies and plaques to 1st place team players only. Team entry fee is \$350-\$400 (depending on the number of games). \$25 forfeiture fee. Rain dates are built into the schedule.</i></b>

**DETAILED ASSESS COMPETITION WORKSHEET  
EXAMPLE OF A CATEGORY "A" BUSINESS -- SPORTS**

Business Visited:	<u>LINCOLN CITY P &amp; R</u>	Date:	<u>6/15/XX</u>
Theme of Operation:	<u>ADULT SOFTBALL</u>	Time of Visit:	<u>1800-2200</u>
Page <u>1</u> of <u>2</u>		Number of customers at time of visit:	<u>FANS &amp; 60+ PLAYERS</u>

1. Business/Program name: ADULT SOFTBALL

2. Location: LINCOLN CITY SPORTS COMPLEX

3. Number of Courts/Fields: 4

4. Atmosphere analysis:

First impression overall: LOOKS GREAT!

Outside appearance: CLEAN

Signage: AMPLE & ATTRACTIVE

Parking: AMPLE. CLEAR OF FOUL BALL & WARM-UP AREAS.

Interior appearance: NA

Court/field quality: GOOD, "PROFESSIONAL" LOOKING, SMOOTH, NO DUST.

5. Participation data:

Number and type of leagues offered: MEN'S & WOMEN'S SLOW-PITCH & CO.ED. SLOW-PITCH.

Number and type of tournaments offered: TOURNAMENTS PLAYED EVERY WEEKEND AT COMPLEX.

Evidence of estimated usage by active duty, dependents, retirees and DoD civilians: APPROXIMATELY 60 PLAYERS. TWO TEAMS FROM HOME PORTED SHIPS. ABOUT 30 OTHERS PLAY ACROSS SEVERAL OTHER TEAMS.  
(derive from league rosters, personal observations, DoD stickers on cars, supervisor/manager's statistics, etc.)

Levels of competition offered: RECREATIONAL & COMPETITIVE LEAGUES (C) LEVEL.

Rules governing play: ASA (MODIFIED USE OF HOMEPLATE MAT.)  
(e.g., ASA, USSSA, AAU, etc.):

**DETAILED ASSESS COMPETITION WORKSHEET  
EXAMPLE OF A CATEGORY "A" BUSINESS -- SPORTS**

Business Visited: LINCOLN CITY P & R

Date: 6/15/XX

Page 2 of 2

6. Fees and charges: **FEES PAID TO CITY FOR USAGE & LIGHTING.**  
 Entry fee/# of games scheduled: **\$ 350-400/TEAM** { **DEPENDS ON # OF GAMES IN THE LEAGUE SEASON.**
- Other fees/charges levied: **\$25 FORFEITURE FEE**  
 (e.g. provide game ball, official, scorer, etc.):
- Services included in entry fee: **OFFICIAL, SCORER, LIGHTS, AWARDS, & BALLS**  
 (e.g. officials, scorer, uniforms/equipment, insurance, lights, awards, etc.):
7. Food and Beverage facility offered: **SUNFLOWER SEEDS, POPCORN, CONCESSION STAND: HOT DOGS, SODA, CANDY & PEANUTS.**
- Policy regarding alcohol on site: **OKAY IN STANDS; NOT ON FIELDS. (REQUIRES PERMIT FROM CITY. FOR TOURNAMENT PLAY ONLY.)**
8. Facility/program supervision:
- Recreation staff on site: **SCORER IS CITY REC. AIDE.**  
 (PHONE IN CONCESSION STAND.)
- Security on site/available: **CITY POLICE DRIVE BY AND STOP IN PERIODICALLY.**
9. Comments/observations: **WELL RUN PROGRAM. GOOD VISIBILITY ALL AROUND AREA. GOOD LIGHTING. VERY CLEAN!**  
 (e.g. spectator involvement, Recreation Dept or other administering organization philosophy, etc.)
10. Staff Observations:
- Adequate numbers: **2 PEOPLE IN CONCESSION STAND. 1 SCORER & 1 OFFICIAL AT EACH FIELD.**
- Skills/Professionalism: **GOOD.**
- Job Knowledge: **GOOD.**
- Customer Service: **GOOD.**
- Appearance: **NEAT..., IN UNIFORM.**
- Behavior: **GOOD.**

<b>COMPARE COMPETITION TALLY SHEET</b>																
<b>Prepared by:</b> _____					<b>Date:</b> _____											
<b>Program:</b> _____																
<b>Preparation Instructions:</b> <ul style="list-style-type: none"> <li>Use one sheet for each three competitors assessed.</li> <li>Check under the appropriate column to indicate whether your Program is better, the competition is better, there's little difference, or NA if the comparison is inconsequential to whatever you are trying to decide about your Program.</li> <li>Change or add comparison elements as appropriate.</li> </ul>					<b>BUSINESS #</b> ____				<b>BUSINESS #</b> ____				<b>BUSINESS #</b> ____			
					We're Better!	No Significant Differences	They're Better!	NOT Applicable/Compared	We're Better!	No Significant Differences	They're Better!	NOT Applicable/Compared	We're Better!	No Significant Differences	They're Better!	NOT Applicable/Compared
FACILITY DESCRIPTION & CONDITION:																
ACTIVITIES & EVENTS OFFERED:																
PRODUCTS & SERVICES OFFERED:																
EQUIPMENT AVAILABILITY & CONDITION:																
SERVICE QUALITY AND VALUE TO CUSTOMERS/PATRONS:																
<b>NOTES:</b>																



**Evaluate Current Fees, Prices and Charges**

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<b>ASSESS COMPETITION WORKSHEET</b>	
<b>PROGRAM NAME:</b>	
<b>FACILITY DESCRIPTION &amp; CONDITION:</b>	
<b>ACTIVITIES &amp; EVENTS OFFERED:</b>	
<b>PRODUCTS &amp; SERVICES OFFERED:</b>	
<b>EQUIPMENT AVAILABILITY &amp; CONDITION:</b>	
<b>SERVICE QUALITY AND VALUE TO CUSTOMERS/ PATRONS:</b>	

**DETAILED ASSESS COMPETITION WORKSHEET**

Business Visited: \_\_\_\_\_ Date: \_\_\_\_\_  
Theme of Operation: \_\_\_\_\_ Time of Visit: \_\_\_\_\_  
Page \_\_\_\_ of \_\_\_\_ Number of customers  
at time of visit: \_\_\_\_\_

1. Business/Program name: \_\_\_\_\_

2. Location: \_\_\_\_\_

3. Size \_\_\_\_\_

(e.g., square footage, #of rooms, # of tables, maximum # of customers/patrons etc.)

4. Atmosphere analysis: \_\_\_\_\_

First impression: \_\_\_\_\_

Outside appearance: \_\_\_\_\_

Signage: \_\_\_\_\_

Parking: \_\_\_\_\_

Interior appearance: \_\_\_\_\_

5. Participation data: \_\_\_\_\_

Daily use: \_\_\_\_\_

(Table turns, customer count, rounds played, lines bowled, etc.)

Evidence of estimated usage  
by active duty, dependents,  
retirees, and DoD civilians: \_\_\_\_\_

(Derive from league rosters, personal observation, DoD stickers on cars,  
supervisor/manager's statistics, etc.)

6. Comparable Fees, Prices, and Charges: \_\_\_\_\_

7. Food and Beverage facility  
offered: \_\_\_\_\_

Policy regarding alcohol on  
site: \_\_\_\_\_

**Evaluate Current Fees, Prices and Charges**

**DETAILED ASSESS COMPETITION WORKSHEET**

Business Visited: \_\_\_\_\_

Date: \_\_\_\_\_

Page \_\_\_\_ of \_\_\_\_

8. Facility Information:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
(Equipment condition, availability, amenities, quality, etc.)  
\_\_\_\_\_

9. Facility/program supervision:

Staff on site:

\_\_\_\_\_

Security on site/available:

\_\_\_\_\_

10. Comments/observations:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
(e.g. spectator involvement, Recreation Dept or other administering organization philosophy, etc.)  
\_\_\_\_\_

11. Staff Observations:

Adequate numbers:

\_\_\_\_\_

Skills/Professionalism:

\_\_\_\_\_

Job Knowledge:

\_\_\_\_\_

Customer Service:

\_\_\_\_\_

Appearance:

\_\_\_\_\_

Behavior:

\_\_\_\_\_

OTHER:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_