Restaurant Restructure

SITUATION

A restaurant owner with four (4) locations and an external commissary was looking to improve operational and financial viability.

PROBLEM

As an independent, they lacked the knowledge on how to leverage the group as a whole financially and operationally they were missing key training programs and metrics to understand how operations impacted finances.

SOLUTION

We immersed ourselves into the day to day operations to see the concept as both the guests and team members viewpoint. This allowed us to develop the programs and metrics that were necessary to tighten the day to day operations.

After dissecting the cash flow and profit/loss statements, we identified target areas outside of the industry norm and proceeded to consolidate vendors, take advantage of combined usages, developed ideal schedules and budgets to reduce and manage COGS and labor.

BENEFITS

Operationally we were now able to deliver a consistent experience to every guest, every day. This in turn allowed the owner to open a fifth location that was able to incorporate the commissary component improving efficiencies.

Financially the restaurant owner was able to leverage the power of one and pass on the savings to the individual locations resulting in a 231% increase in revenue and 303 % increase in profitability due to substantial decreases in COGS, labor and other operating expenses.

Menu Analysis

SITUATION

A multi-unit, multi-state operator couldn’t determine how to simplify their menu

PROBLEM

With locations in 7 states, menus were lacking unity and focus.

SOLUTION

We analyzed the product mix and percentage of revenue for every menu item offered for each location independently. We then consolidated the product mixes by State to identifying the top and lowest sellers. In addition, we incorporated labor to product each item in additional to food and paper costs to make our recommendations. This enabled the company decisions to be based on the numbers and not a feeling.

BENEFITS

Improved revenue, COGS and labor costs that resulted in increased profitability. An indirect result was also a unified marketing message in each State.

Restaurant Start-Up

SITUATION

Two friends decided to partner and create a restaurant concept.

PROBLEM

One partner was a career Chef, the other had no restaurant experience. They both had never opened a restaurant from idea to launch.

SOLUTION

Hire The Recipe of Success to lead the project through our proprietary Critical Path. As a team with the partners, we took an active role in all decision making from design to branding to recruitment/hiring/training to opening day and beyond.

BENEFITS

The partners were provided with a road map through the opening and a foundation to operate the restaurant post opening.

Operational and Financial Analysis

SITUATION

Well established restaurant that appears to be a smooth-running operation and massively successful financially.

PROBLEM

Reality is the location on multiple fronts – staffing (quality and execution), consistency (experience – food and service), financially (COGS, labor, other operating expenses). The location management lacked the ability to identify and correct core deficiencies.

SOLUTION

Perform an operational & financial analysis to identify known and unknown core deficiencies. The process included blind mystery shops, known observation, interviews with staff, menu dissecting and analysis as well as a deep dive on the financial health of the restaurant.

BENEFITS

The owner was provided a 60-page report that identified and outlined every deficiency with a recommend course of action to correct. The report identified the following:

- Training was non-existent
- Hiring lacked the in-depth questions and review (hiring warm bodies)
- Excess inventory that negatively affected cash flow
- Cost of Goods Sold (COGS) could be reduced by over $60,000 annually
- Labor Cost could be reduced by over $50,000 annually
- Total increased profitability based on existing revenue that could be recognized is over $200,000
- If lost revenue was captured and recorded, increased revenue of over $175,000 would provide additional profitability