

*Restaurant cost control made easy*  
*[www.penduloforce.com](http://www.penduloforce.com)*



# WELCOME!

## How to Survive COVID-19 at your Restaurant



# INTRODUCTION

Do you think the COVID-19 crisis can make you close your restaurant?

It is normal to be worried because we live in a period of great uncertainty. However, there are many ways to improve the profitability of your restaurant to keep it afloat or minimize losses.

It is normal that in the restaurant's day-to-day operations we do not have time to analyse what efforts are worthwhile. Still, it's important to look at how to work more effectively and efficiently, work smarter, not harder.

The only advantage we have after lockdown is that we have a lot of information about our clients' preferences, our fixed costs, our "hot hours", what sells the most, and so on. And it's time to use that information.

In this e-book we'll show 6 key actions within a formula that works.

**Let's start!**

**Pilar García**

**Restaurant Consultant & Trainer. Founder at Pendulo**

Insanity Is Doing the Same Thing Over Again and Expecting Different Results.

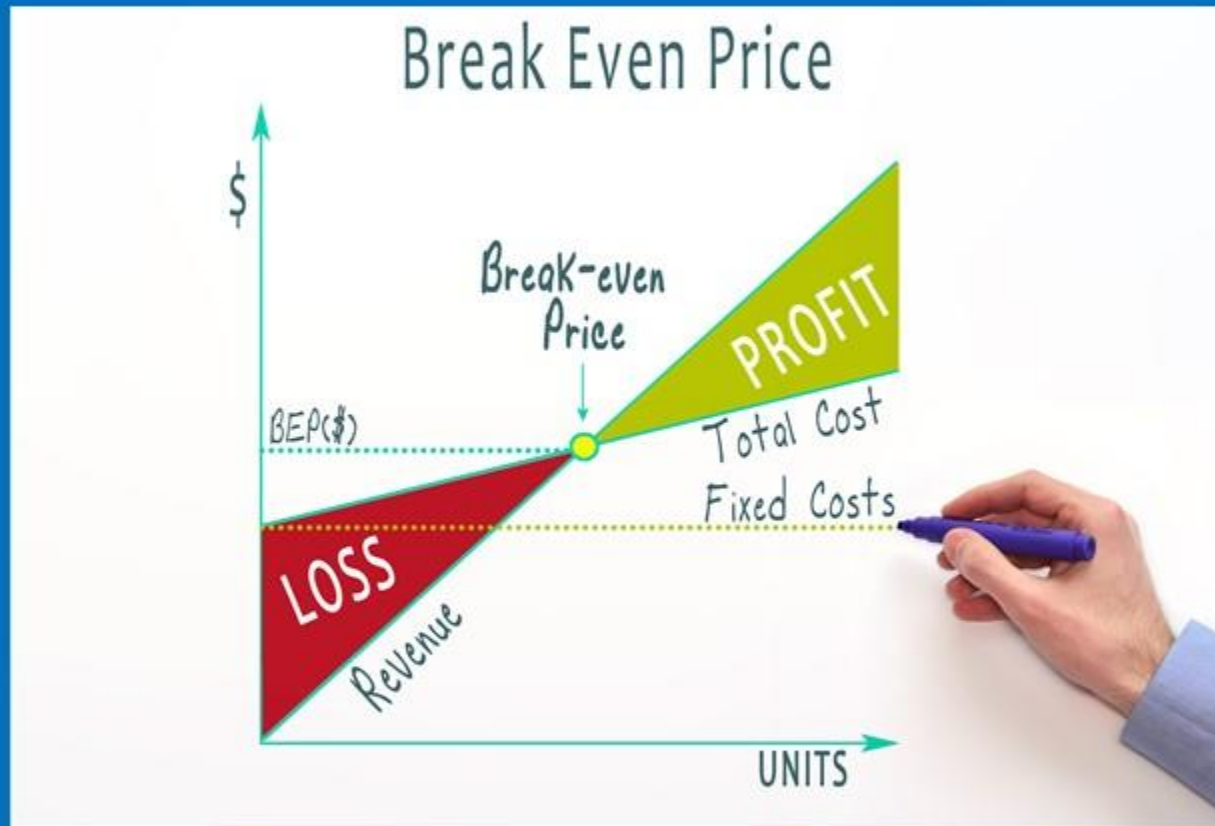
**Albert Einstein**



# 1. Work out your Break Even Point

# Break Even Point

In terms of cost accounting, it is that point of activity (sales volume) where total income is equal to total costs, the point of activity where there is no profit or loss, that is, profit is zero.



## Case of Study of a real restaurant

<b>Sales</b>	<b>£ 18,251.15</b>
<b>Food Cost</b>	<b>£ 5,292.79</b>
<b>Staff Cost</b>	<b>£ 15,200.35</b>
<b>Fixed Costs</b>	<b>£ 2,964.50</b>
<b>Loss</b>	<b>-£ 5,206.49</b>

If we don't know our break event point, we could have the same problem as this restaurant

In this case, they could have kept the restaurant closed and the team in furlough and they would have lost only their fixed costs.

# Financial Structure

100% Sales	30%	Costs of Goods
	30%	Staff
	20%	Miscellaneous and bills
	10%	Rent
	10%	Profit

**Knowing our financial structure has a very important role in our business .**

**However, many of our ratios will need to change necessarily to be able to make a profit**

**Our financial structure is going to change and we have to adjust our costs to keep the business up and running. ADAPTATION IS KEY**

**In general, sales are reduced, we have to adjust our menu so that its food cost is lower, adjust staff and opening hours, along with trying to minimize fixed costs.**



**Work out your BREAK EVEN POINT  
per month, week, day and shift  
so you can decide if it's worth  
opening your doors**

**This is a starting point, then we will  
take action to reduce our ratios but  
first thing to do is adjust to our new  
level of sales**



### Monthly Break Even Point

Sales	£ 37,161.00	100.00%
Food Cost	£ 10,453.00	28.13%
Staff Cost	£ 12,744.00	34.29%
Fixed Costs	£ 13,964.00	37.58%
Loss	£ -	0.00%

**Fixed Costs per  
month £13964**

### Weekly Break Even Point

Sales	£ 8,575.62	100.00%
Food Cost	£ 2,412.23	28.13%
Staff Cost	£ 2,940.92	34.29%
Fixed Costs	£ 3,222.46	37.58%
Loss	£ -	0.00%

**Minimum weekly  
sales to make a  
profit would be at  
least £8575**

From the Break Even Point, we will be checking weekly what is our current level of sales.

The Break Even Point gives us a target of minimum sales. However, we need to track WEEKLY, even DAILY to understand where we are and adapt constantly.

Tracker Panel - PENDULO

Go Back

From: 05-10-2020 To: 08-02-2021 Go

	← Week 05-10-20   11-10-20	Week 12-10-20   18-10-20	Week 19-10-20   25-10-20 →
Weekly Sales (£)	36,022.12	33,595.19	32,407.20
Drinks Sales (£)	13,463.82	12,148.60	11,663.07
Drinks Sales (%)	37.38	36.16	35.99
Drinks GP (%)	98.74	62.56	85.83
Food Sales (£)	22,558.30	21,446.59	20,744.13
Food Sales (%)	62.62	63.84	64.01
Food GP (%)	69.98	74.26	77.43
HR Cost (£)	13,856.25	12,365.94	12,946.81
HR Cost (%)	38.47	36.81	39.95
Covers	1286	1168	1144
Spend per Head (£)	28.01	28.76	28.33

## 2.Adjust Staff Cost



**We are going to identify the team that we really need and the first thing we are going to do is to calculate our "Hot hours or peak times"**

**First step would be to download from our EPOS System (Point of Sales System), the sales by hour and day of the week**

**Then we will organize the data in a way that help us with our decision making process**

	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday	
Hours								TOTAL
10	£ -	£ -	£ -	£ -	£ -	£ -	£ 22.19	£ 22.19
11	£ -	£ 1.88	£ 5.00	£ -	£ -	£ 221.87	£ 120.13	£ 348.88
12	£ 35.63	£ 149.69	£ 71.25	£ 243.13	£ 115.31	£ 564.55	£ 377.19	£ 1,556.74
13	£ 113.13	£ 86.41	£ 177.65	£ 172.82	£ 494.85	£ 897.62	£ 918.44	£ 2,860.92
14	£ 45.94	£ 92.03	£ 109.69	£ -	£ 250.00	£ 585.62	£ 402.27	£ 1,485.55
15	£ 9.69	£ 40.63	£ 4.69	£ -	£ 82.04	£ 558.13	£ 140.32	£ 835.48
16	£ -	£ -	£ -	£ -	£ 8.44	£ 204.69	£ 103.60	£ 316.73
17	£ 82.50	£ 188.75	£ 73.75	£ 57.19	£ 32.50	£ 216.56	£ 75.47	£ 726.72
18	£ 418.59	£ 407.81	£ 650.78	£ 1,186.22	£ 849.08	£ 804.13	£ 211.17	£ 4,527.78
19	£ 450.16	£ 441.25	£ 635.31	£ 878.31	£ 870.16	£ 999.03	£ 393.13	£ 4,667.34
20	£ 187.59	£ 775.60	£ 583.91	£ 887.42	£ 839.77	£ 1,025.31	£ 201.25	£ 4,500.84
21	£ 172.50	£ 222.04	£ 380.16	£ 545.78	£ 823.28	£ 1,097.79	£ 53.75	£ 3,295.31
22	£ 4.06	£ 32.97	£ 19.07	£ 71.87	£ 181.88	£ 245.94	£ -	£ 555.79
23	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
	£ 1,519.78	£ 2,439.05	£ 2,711.25	£ 4,042.74	£ 4,547.29	£ 7,421.24	£ 3,018.90	£ 25,700.24

Here can see the sales in an orderly way by days of the week and time

Below we have moved it to percentage terms to see the percentage of sales per hour. For example, on Saturday from 9 to 10, we make 4.27% of our sales

	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday	
Hours	17/10/2020	18/10/2020	19/10/2020	20/10/2020	21/10/2020	22/10/2020	23/10/2020	TOTAL
10	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.09%	0.09%
11	0.00%	0.01%	0.02%	0.00%	0.00%	0.86%	0.47%	1.36%
12	0.14%	0.58%	0.28%	0.95%	0.45%	2.20%	1.47%	6.06%
13	0.44%	0.34%	0.69%	0.67%	1.93%	3.49%	3.57%	11.13%
14	0.18%	0.36%	0.43%	0.00%	0.97%	2.28%	1.57%	5.78%
15	0.04%	0.16%	0.02%	0.00%	0.32%	2.17%	0.55%	3.25%
16	0.00%	0.00%	0.00%	0.00%	0.03%	0.80%	0.40%	1.23%
17	0.32%	0.73%	0.29%	0.22%	0.13%	0.84%	0.29%	2.83%
18	1.63%	1.59%	2.53%	4.62%	3.30%	3.13%	0.82%	17.62%
19	1.75%	1.72%	2.47%	3.42%	3.39%	3.89%	1.53%	18.16%
20	0.73%	3.02%	2.27%	3.45%	3.27%	3.99%	0.78%	17.51%
21	0.67%	0.86%	1.48%	2.12%	3.20%	4.27%	0.21%	12.82%
22	0.02%	0.13%	0.07%	0.28%	0.71%	0.96%	0.00%	2.16%
23	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	5.91%	9.49%	10.55%	15.73%	17.69%	28.88%	11.75%	100.00%

Finally, based on the hourly sales volume and the restaurant's break-even point by day and shift, we decided to reduce the restaurant's hours from Tuesday to Sunday for dinners and only from Saturday to Sunday for lunch.

We also reduce the staff cost by adjusting our rotas and teams to our new needs.



To understand what shifts we should stay open, it's important to know what is our staff cost. We would need to take into account salaried and paid per hour staff.

### Example of Staff Cost Calculations for salaried staff.

	Per year	NI	Pensions	Total	Per month	Per week	Weekly Sales	£ 8,103.78
John	£ 35,000.00	£ 3,519.00	£ 865.92	£ 39,384.92	£ 3,282.08	£ 757.40	Weekly Staff Cost	£ 2,535.46
Alex	£ 32,000.00	£ 3,105.00	£ 775.92	£ 35,880.92	£ 2,990.08	£ 690.02	Staff Cost	31.29%
Mary	£ 26,000.00	£ 2,277.00	£ 595.92	£ 28,872.92	£ 2,406.08	£ 555.25		
Anna	£ 25,000.00	£ 2,139.00	£ 565.92	£ 27,704.92	£ 2,308.74	£ 532.79		

These results are estimations only. Calculating payroll is a complex operation.

### Example of Staff Cost Calculations for salaried staff.

	Monday				Tuesday				Wednesday				Thursday				Friday				Saturday				Sunday				Shifts	HOURS	MONEY
MNG	Lunch	Dinner			Lunch	Dinner			Lunch	Dinner			Lunch	Dinner			Lunch	Dinner			Lunch	Dinner			Lunch	Dinner					£ 36,000.00
TOTAL HOURS	7.00	7.00			13.00	8.00			7.00	8.00			7.00	8.00			7.00	9.00			7.00	9.00			7.00	6.50					
TOTAL MONEY	£ 65.40	£ 65.40			£ 121.46	£ 74.74			£ 65.40	£ 74.74			£ 65.40	£ 74.74			£ 65.40	£ 84.09			£ 65.40	£ 84.09			£ 65.40	£ 60.73			110.5		£ 1,032.40
																															2.87%
HOST	Lunch	Dinner			Lunch	Dinner			Lunch	Dinner			Lunch	Dinner			Lunch	Dinner			Lunch	Dinner			Lunch	Dinner					
TOTAL HOURS	0.00	6.00			0.00	12.00			0.00	13.00			0.00	13.00			0.00	21.00			5.00	20.00			4.00	6.00					
TOTAL MONEY	£ -	£ 56.06			£ -	£ 112.12			£ -	£ 121.46			£ -	£ 121.46			£ -	£ 196.20			£ 46.71	£ 186.86			£ 37.37	£ 56.06			100		£ 934.30
																															2.60%
SERVERS	Lunch	Dinner			Lunch	Dinner			Lunch	Dinner			Lunch	Dinner			Lunch	Dinner			Lunch	Dinner			Lunch	Dinner					
TOTAL HOURS	5.50	20.50			6.00	21.00			6.00	27.00			6.00	31.50			11.00	47.50			13.50	56.00			16.50	21.00					
TOTAL MONEY	£ 51.39	£ 191.53			£ 56.06	£ 196.20			£ 56.06	£ 252.26			£ 56.06	£ 294.30			£ 102.77	£ 443.79			£ 126.13	£ 523.21			£ 154.16	£ 196.20			289		£ 2,700.12
																															7.50%
KITCHEN	Lunch	Dinner			Lunch	Dinner			Lunch	Dinner			Lunch	Dinner			Lunch	Dinner			Lunch	Dinner			Lunch	Dinner					
TOTAL HOURS	24.00	36.00			25.00	37.00			25.00	33.00			25.00	42.50			52.00	48.50			40.00	48.00			35.00	39.50					
TOTAL MONEY	£ 224.23	£ 336.35			£ 233.57	£ 345.69			£ 233.57	£ 308.32			£ 233.57	£ 397.08			£ 485.83	£ 453.13			£ 373.72	£ 448.46			£ 327.00	£ 369.05			510.5		£ 4,769.59
																															13.25%
BAR	Lunch	Dinner			Lunch	Dinner			Lunch	Dinner			Lunch	Dinner			Lunch	Dinner			Lunch	Dinner			Lunch	Dinner					
TOTAL HOURS	6.00	12.00			12.00	19.00			14.00	17.00			10.00	22.00			10.00	22.00			13.00	35.00			11.00	13.00					
TOTAL MONEY	£ 56.06	£ 112.12			£ 112.12	£ 177.52			£ 130.80	£ 158.83			£ 93.43	£ 205.55			£ 93.43	£ 205.55			£ 121.46	£ 327.00			£ 102.77	£ 121.46			216		£ 2,018.08
																															5.61%
TOTAL HOURS	42.50	81.50			56.00	97.00			52.00	98.00			48.00	117.00			80.00	148.00			78.50	168.00			73.50	86.00			1226.00		
TOTAL MONEY	£ 397.08	£ 761.45			£ 523.21	£ 906.27			£ 485.83	£ 915.61			£ 448.46	£ 1,093.13			£ 747.44	£ 1,382.76			£ 733.42	£ 1,569.62			£ 686.71	£ 803.50					£ 11,454.49
TOTAL	1.10%	2.12%			1.45%	2.52%			1.35%	2.54%			1.25%	3.04%			2.08%	3.84%			2.04%	4.36%			1.91%	2.23%					31.82%
TOTAL	3.22%				3.97%			3.89%					4.28%			5.92%			6.40%			4.14%							Staff Cost		31.82%



	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday	
Hours								TOTAL
10	£ -	£ -	£ -	£ -	£ -	£ -	£ 22.19	£ 22.19
11	£ -	£ 1.88	£ 5.00	£ -	£ -	£ 221.87	£ 120.13	£ 348.88
12	£ 35.63	£ 149.69	£ 71.25	£ 243.13	£ 115.31	£ 564.55	£ 377.19	£ 1,556.74
13	£ 113.13	£ 86.41	£ 177.65	£ 172.82	£ 494.85	£ 897.62	£ 918.44	£ 2,860.92
14	£ 45.94	£ 92.03	£ 109.69	£ -	£ 250.00	£ 585.62	£ 402.27	£ 1,485.55
15	£ 9.69	£ 40.63	£ 4.69	£ -	£ 82.04	£ 558.13	£ 140.32	£ 835.48
16	£ -	£ -	£ -	£ -	£ 8.44	£ 204.69	£ 103.60	£ 316.73
17	£ 82.50	£ 188.75	£ 73.75	£ 57.19	£ 32.50	£ 216.56	£ 75.47	£ 726.72
18	£ 418.59	£ 407.81	£ 650.78	£ 1,186.22	£ 849.08	£ 804.13	£ 211.17	£ 4,527.78
19	£ 450.16	£ 441.25	£ 635.31	£ 878.31	£ 870.16	£ 999.03	£ 393.13	£ 4,667.34
20	£ 187.59	£ 775.60	£ 583.91	£ 887.42	£ 839.77	£ 1,025.31	£ 201.25	£ 4,500.84
21	£ 172.50	£ 222.04	£ 380.16	£ 545.78	£ 823.28	£ 1,097.79	£ 53.75	£ 3,295.31
22	£ 4.06	£ 32.97	£ 19.07	£ 71.87	£ 181.88	£ 245.94	£ -	£ 555.79
23	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
	£ 1,519.78	£ 2,439.05	£ 2,711.25	£ 4,042.74	£ 4,547.29	£ 7,421.24	£ 3,018.90	£ 25,700.24

We have already seen our sales in a tidy manner by day of the week and time

Due to COVID restrictions our Sales forecast is around 70% of our previous sales (this varies with every site)

So imagine that we sell on a Monday approximately £1063

	Monday			
MNG	Lunch		Dinner	
TOTAL HOURS	7.00		7.00	
TOTAL MONEY		£ 65.40		£ 65.40
HOST	Lunch		Dinner	
TOTAL HOURS	0.00		6.00	
TOTAL MONEY		£ -		£ 56.06
SERVERS	Lunch		Dinner	
TOTAL HOURS	0.00		20.50	
TOTAL MONEY		£ -		£191.53
KITCHEN	Lunch		Dinner	
TOTAL HOURS	8.00		36.00	
TOTAL MONEY		£ 74.74		£336.35
BAR	Lunch		Dinner	
TOTAL HOURS	6.00		12.00	
TOTAL MONEY		£ 56.06		£112.12
TOTAL HOURS	21.00		81.50	
TOTAL MONEY		£196.20		£761.45
GRAND TOTAL	£		957.66	

If sales are £1063

Cost of Goods Sold COGS (at 30%) would be £318.9

Staff Cost after monetizing the shifts is £957.66

If we add take into account our PRIME COST , adding COGS and Staff Costs , we would spend £1276.56

Therefore, we would spend more than we would make and IT IS NOT WORTH OPENING ON THAT DAY

# 3.Menu changes

# Menu Engineering



I always think that the menu is the heart of everything we do at the restaurant and thanks to the sales it generates, we will be able to afford our costs

I also think that menu engineering begins with costing the menu items. The truth is before doing the costings we need to define our concept, our audience and have our “recipe bible” ready



# How to do your costings

1. Have an updated price list and link them to their unit so you can get a value per gram, millimetre or unit

Meat					In stock: £0.00								
Product	Supplier	Number Buying Units	G per Buying Unit	Price in Invoice	Stocktake Unit	Price per Packing Unit	In Stock	Value in Stock	Recipe	Price per Unit	Unit	Recipe Unit	Cost per Recipe Unit
Beef Mince	MEAT LTD	1	1000	£ 3.90	kg	£ 3.90		£0.00	£	3.90000	KG	G	£ 0.00390
Chicken gujion	MEAT LTD	1	1000	£ 3.39	kg	£ 3.39		£0.00	£	3.39000	KG	G	£ 0.00339
Chicken nuggets	MEAT LTD	1	1000	£ 5.60	kg	£ 5.60		£0.00	£	5.60000	KG	G	£ 0.00560
Fresh beef fillet tails	MEAT LTD	1	500	£ 10.00	kg	£ 20.00		£0.00	£	20.00000	KG	G	£ 0.02000
Fresh boneless chicken thighs	MEAT LTD	1	1000	£ 4.50	kg	£ 4.50		£0.00	£	4.50000	KG	G	£ 0.00450
Fresh duck Marget	MEAT LTD	1	1000	£ 12.15	kg	£ 12.15		£0.00	£	12.15000	KG	G	£ 0.01215
Fresh minced beef	MEAT LTD	1	1000	£ 4.90	kg	£ 4.90		£0.00	£	4.90000	KG	G	£ 0.00490
Fresh minced pork	MEAT LTD	1	1000	£ 4.50	kg	£ 4.50		£0.00	£	4.50000	KG	G	£ 0.00450
Fresh pork collar (rib eye)	MEAT LTD	1	1000	£ 6.00	kg	£ 6.00		£0.00	£	6.00000	KG	G	£ 0.00600
Fresh pork shoulder	MEAT LTD	1	1000	£ 3.12	kg	£ 3.12		£0.00	£	3.12000	KG	G	£ 0.00312
Gammon Dell Gree Gammon joint	MEAT LTD	1	1000	£ 4.00	kg	£ 4.00		£0.00	£	4.00000	KG	G	£ 0.00400
Honey Roast Ham	MEAT LTD	1	1000	£ 7.41	kg	£ 7.41		£0.00	£	7.41000	KG	G	£ 0.00741
Merguez Sausages (Lamb and Spice)	MEAT LTD	1	1000	£ 8.91	kg	£ 8.91		£0.00	£	8.91000	KG	G	£ 0.00891
Minced Dingley pork	MEAT LTD	1	500	£ 5.06	kg	£ 10.12		£0.00	£	10.12000	KG	G	£ 0.01012
Smoking chicken breast	MEAT LTD	1	1000	£ 10.70	kg	£ 10.70		£0.00	£	10.70000	KG	G	£ 0.01070

Ideally you would also connect our Inventory spreadsheet so you can do your stock take easily and quickly.

# How to do your costings

## 2. Add every ingredient to the recipe just as the batch is done at the restaurant

Spanish Omelette		Portions in this batch:	15	Portion Cost:	£ 0.77
Change tab name to change this					
Ingredient Category (Drop Down)	Ingredient (Drop Down)	Yield%	Unit	Quantity	Cost
Fruit & Vegetables	Potatoes	100%	G	2000	£ 5.40
Fruit & Vegetables	Onion colossal	100%	G	1000	£ 0.78
Dairy	Eggs	100%	UNIT	20	£ 3.00
Vinegars and oils	extra virgin oil	100%	ML	100	£ 0.48
Dry Store	Salt table	100%	G	3	£ 0.00
		100%			
		100%			
		100%			
		100%			
		100%			
		100%			
Total Batch:					£ 9.66
Additional Ingredients per portion					
Batches	Garlic Mayo	100%	G	50	£ 0.13
		100%			
		100%			
		100%			
		100%			
		100%			
		100%			
Total Additional Ingredients:					£ 0.13

Tgt Margin:	80%	Suggested Px @Mgn:	£4.62
		(Margin + VAT at 20%)	
This section needs to be fully filled out for the Recipe Directory Filters			
Allergy Info: Contains:		Restaurant Information:	
Celery	N	Pendulo force	Y
Cereals Gluten	N	Site 2	
Crustaceans	N	Site 3	
Eggs	Y		
Fish	N	Recipe Type:	Dish
Lupin	N		
Milk	N	Dish Type:	Classics
Molluscs	N		
Mustard	N	Total Batch Weight:	2.5 KG
Nuts	N	Total Batch Cost:	£ 9.66
Peanuts	N	Portion Cost	£ 0.77
Sesame	N		
Soya	N		
Sulphur Dioxide	N	Price	£ 4.25
Is Vegetarian	Y		
Is Vegan	N	Margin	78.26%
Is Gluten Free	Y		
Allergy18			
Allergy19			

The ideal thing to do is to connect our ingredients with the costings so every time we add an ingredient we know exactly how much is costing us.  
Let the Excel work for you.



# How to do your costings

4. Make a list of all the items of your menu so you can see the costing, prices and margins so you can get the whole picture at a glance

VAT		20%									
										Allergies	
				Price Info		Recipe Categories					
Menu Engineering		Costing	Price	Margin		Menu Section		Celery	Cereals	Gluten	
<a href="#">Click</a>	Beef Carpaccio	£ 3.29	£ 12.10	67.40%		Meat		No		No	
<a href="#">Click</a>	Chicken Milanese	£ 2.17	£ 10.50	75.19%		Meat		No		No	
<a href="#">Click</a>	Capresse Salad	£ 0.94	£ 6.00	81.26%		Salad		No		No	
<a href="#">Click</a>	Mediterranean Salad	£ 1.52	£ 6.25	70.85%		Salad		No		No	
<a href="#">Click</a>	Pasta Salad	£ 0.98	£ 5.25	77.53%		Salad		No		Yes	
<a href="#">Click</a>	Lunette di zucchini	£ 0.62	£ 4.25	82.60%		Starter		No		Yes	
<a href="#">Click</a>	Garlic Bread	£ 0.50	£ 3.10	80.52%		Starter		No		Yes	
<a href="#">Click</a>	Provolone	£ 0.96	£ 4.00	71.13%		Starter		No		No	
<a href="#">Click</a>	Cod Gratin	£ 2.57	£ 11.25	72.58%		Fish		No		No	
<a href="#">Click</a>	Hake	£ 1.52	£ 9.10	79.93%		Fish		No		No	
<a href="#">Click</a>	Funghi and ham	£ 1.65	£ 8.75	77.38%		Pizza		No		Yes	
<a href="#">Click</a>	4 Cheeses	£ 1.93	£ 11.25	79.47%		Pizza		No		No	
<a href="#">Click</a>	Supreme	£ 1.90	£ 12.50	81.73%		Pizza		No		No	
<a href="#">Click</a>	Diabola	£ 1.18	£ 8.25	82.77%		Pizza		No		No	
<a href="#">Click</a>	Margarita	£ 1.40	£ 9.90	83.04%		Pizza		No		No	
<a href="#">Click</a>	Chocolate and Vanilla	£ 1.16	£ 6.50	78.61%		Dessert		No		No	
<a href="#">Click</a>	Mascarpone Cake	£ 0.77	£ 5.00	81.63%		Dessert		No		Yes	
<a href="#">Click</a>	Tiramisu	£ 0.48	£ 4.50	87.16%		Dessert		No		No	
<a href="#">Click</a>	Risotto Boletus	£ 1.96	£ 9.00	73.81%		Risottos		No		No	
<a href="#">Click</a>	Risotto Cheese and Chicken	£ 0.91	£ 8.00	86.33%		Risottos		No		No	



You have all your costings  
ready?perfect!

Now we are going to see how to use  
them in our favour to make our menu  
and our restaurant more profitable.

But before that, let me tell you about a  
very interesting law...

# Pareto's Law 80/20

The Pareto principle states that for many outcomes roughly 80% of consequences come from 20% of the causes.

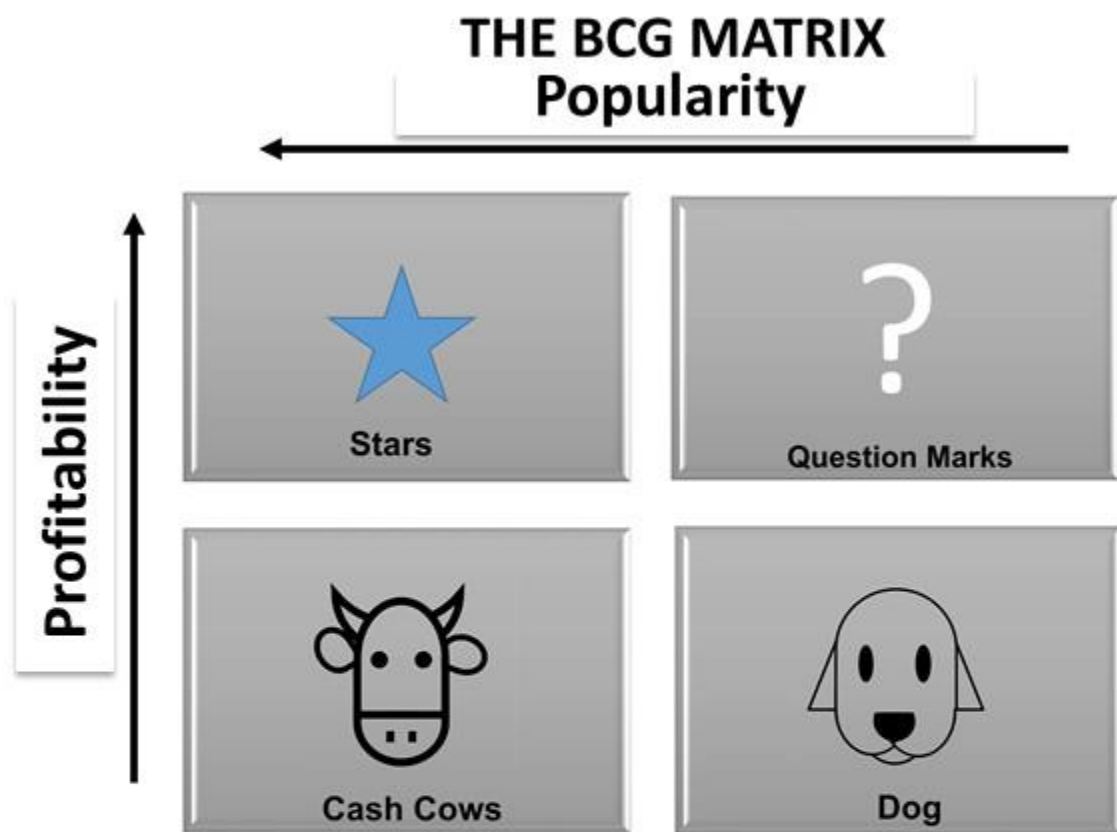
In restaurants, could we say that 80% of our sales come from 20% of the dishes? In my experience, in hospitality it's usually 70/30

**Especially now we need to think about the menu with the data in front of us. What are the products that bring more sales and are more profitable**

Now, you have all your costings and you know Pareto's law, fantastic!

It is important to change the menu in an intelligent way, try to leave those dishes/drinks that have a greater margin and those that are the most popular and generate greater sales (you can pull out this data from your EPOS)

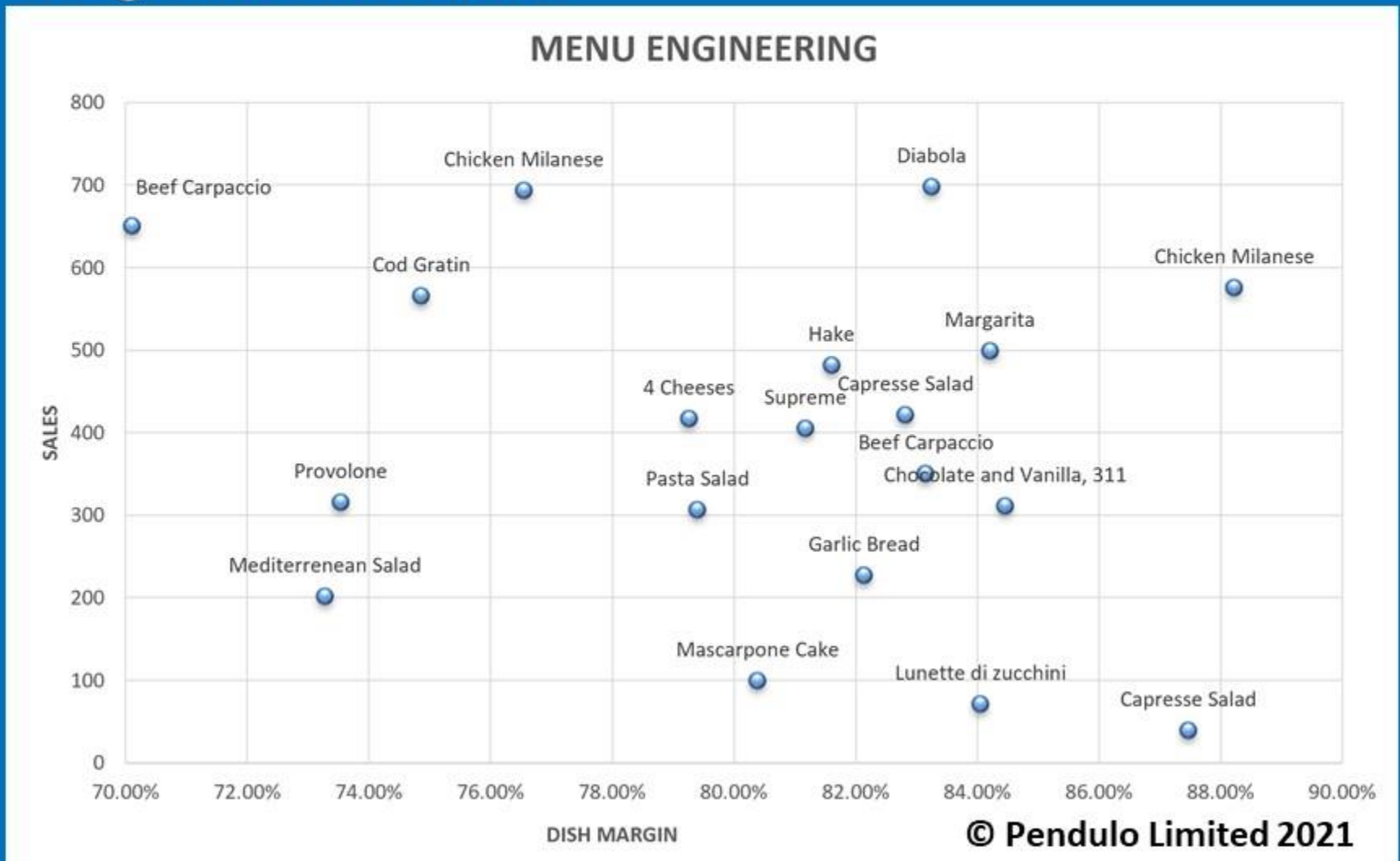




Think about the Menu Engineering Matrix and keep “Star” and “Cash Cows” items.

Often there are dishes whose margins are low, but as they have a high price they help us to improve our cash flow and reach break even.

You may see everything more clearly if you organise your dishes, margins and sales in a diagram like this!



# 4.Reduce Cost of Goods Sold



By reducing our menu, on many occasions we reduce the number of ingredients, we can concentrate the number of suppliers and have a better margin after negotiating with them.

In addition, the act of reducing the menu will improve operations standards and, in general, it usually reduces waste.

But there is more we can do, such as **minimizing the differences between our theoretical margin and the real one.**

*We already have worked out all our costings and margins of each dish. If we make a weighted average taking into account the sales of each dish, we will obtain our theoretical margin or potential GP*

*We are going to understand if our Sales Mix its playing in our favour or against us.*

Menu Engineering	Price Info				Sales	Theoretical Margin	78.19%
	Costing	Price	Margin				
Beef Carpaccio	£ 3.29	£ 12.10	67.40%	650			
Chicken Milanese	£ 2.17	£ 10.50	75.19%	693			
Capresse Salad	£ 0.94	£ 6.00	81.26%	421			
Mediterranean Salad	£ 1.52	£ 6.25	70.85%	201			
Pasta Salad	£ 0.98	£ 5.25	77.53%	306			
Lunette di zucchini	£ 0.62	£ 4.25	82.60%	71			
Garlic Bread	£ 0.50	£ 3.00	80.52%	227			
Provolone	£ 0.96	£ 4.00	71.13%	315			
Cod Gratin	£ 2.57	£ 11.25	72.58%	565			
Hake	£ 1.52	£ 9.10	79.93%	481			
Funghi and ham	£ 1.93	£ 8.75	77.38%	417			
4 Cheeses	£ 1.40	£ 11.25	79.47%	405			
Supreme	£ 1.18	£ 12.50	81.73%	698			
Diabola	£ 1.90	£ 8.25	82.77%	499			
Margarita	£ 1.16	£ 9.90	83.04%	311			
Chocolate and Vanilla	£ 0.77	£ 6.50	78.61%	99			
Mascarpone Cake	£ 0.48	£ 5.00	81.63%	350			
Tiramisu	£ 1.96	£ 4.50	87.16%	575			
Risotto Boletus	£ 0.91	£ 9.00	86.33%	39			
Risotto Cheese and Chicken							

©Pendulo Limited 2021

**SO WE GOT OUR PROFIT TARGET OF OUR MENU, IN THIS CASE, 78.19%  
OR A FOOD COST OF 21.81%**

**So we have our theoretical GP  
but , what is the real one?**

**Cost of Goods Sold=  
Initial Stock + Purchases – Final Stock  
+Transfers In – Transfers Out**

**Gross Profit = (Sales – Cost of Goods Sold)/Sales**



## **DISCREPANCIES BETWEEN OUR POTENTIAL AND REAL GROSS PROFIT COME FROM (among others):**

- **Costings are wrong**
- **No standards in portioning**
- **No use of scales and measure equipment to portion**
- **There is no track of the Mise en Place**
- **Too much wastage**
- **Planning errors in prep**
- **Lack of training of staff**
- **Theft**
- **No tracking of invoices/credit notes**
- **No tracking of prices**
- **No checks on deliveries**
- **Weights invoiced are different from goods received**
- **There is no FIFO, so wastage increases**

**Precisely because these differences exist, it is important to track our Cost of Goods Sold on a weekly basis**

**If we have a reduction in dishes, ingredients and suppliers and we have control over prices and invoices, we will improve our Cost of Goods Sold.**

# Remember, start TRACKING. If you don't track you will not improve

## Tracker Panel - PENDULO

Go Back

From: 08-02-2021

To: 10-02-2021

Go



	← Week 04-02-19   10-02-19	Week 11-02-19   17-02-19	Week 18-02-19   24-02-19 →
Weekly Sales (£)	32,461.30	32,053.78	33,066.25
Drinks Sales (£)	12,201.24	11,417.53	12,491.57
Drinks Sales (%)	37.59	35.62	37.78
Drinks GP (%)	77.88	77.60	77.34
Food Sales (£)	20,260.06	20,636.25	20,574.68
Food Sales (%)	62.41	64.38	62.22
Food GP (%)	72.90	74.57	74.68
HR Cost (£)	11,461.98	11,535.84	11,160.52
HR Cost (%)	35.31	35.99	33.75
Covers	1102	1047	1082
Spend per Head (£)	29.46	30.61	30.56



# 5.Look for new revenue streams



Everybody knows that delivery services and players such as UBER EATS, JUST EAT and DELIVEROO have become key in restaurant operations these days.

If it's clear to you, go for it! But do your math first. You can end up working for them and making no profit at all..

Some restaurants increase their prices up to 20% to afford their delivery commissions. This is an option to consider.



Offer Master Classes or selected services to reduce groups. This will allow you to charge more and increase your average spend per head.



You can partner up with sites in good locations that do not operate 24 hours or do not offer what you do.

For example, a cafe that operates noon until 4 so you could do popups in the evening. Or you could offer food in a pub that only offers drinks.

Encourage, incentivise and promote your TAKE AWAY service, remember, no one else takes commissions



Your current menu may not be ready for delivery services commissions. Also your menu may not “travel” too well.

For this reason, sometimes you can operate under a new brand in which you have a different menu, with greater profitability and created to travel well and get to customers just right



## 6.React

# Remember this process at all times



# 1. Where are we

It is important to know where we are at all times and that is why we must have tools that indicate our financial position at all times.

Pendulo is a clear example of a simple and user-friendly tool, but you can also keep track of everything in tools such as Excel.

Use the tool you want, but use one that tells you how you are doing

# 2. Where do we want to be?

If we have calculated our staff cost and our theoretical margin, we will have an idea of where we want to improve and what we should prioritise.

# 3. How are we going to do it?

Design an action plan and carry it out

# 4. Repeat

There is always something we can improve, having ongoing improvement in mind makes us better people and professionals.

I recommend you set up goals by Key Performance Indicators (food cost, staff cost, staff retention, etc). It is very difficult to improve everything at the same time and understand the impact of each action we've put in place.



# WHERE ARE WE? By day of the week, end of the week and supplier



PENDULO 13.07.2020 - 19.07.2020

Purchases by supplier (NET)									
Supplier	13.07.2020	14.07.2020	15.07.2020	16.07.2020	17.07.2020	18.07.2020	19.07.2020	TOTAL	% Sales
<b>HR</b>									
Salaries BOH	£5,292.02	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£5,292.02	14.93 %
Salaries FOH	£6,901.96	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£6,901.96	19.48 %
Jobs Today	£60.23	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£60.23	0.17 %
Pettit Cash	£100.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£100.00	0.28 %
<b>Food</b>									
St John's	£35.50	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£35.50	0.10 %
Pettit Cash	£206.66	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£206.66	0.58 %
Trade	£0.00	£197.25	£0.00	£0.00	£332.23	£0.00	£0.00	£529.48	1.49 %
C&D	£0.00	£413.58	£0.00	£0.00	£0.00	£251.60	£0.00	£665.18	1.88 %
Donald Russell	£0.00	£44.22	£147.86	£168.65	£134.98	£45.50	£0.00	£541.21	1.53 %
Mash	£0.00	£258.95	£238.83	£204.57	£352.43	£127.32	£434.53	£1,616.63	4.56 %
Finclass	£0.00	£92.48	£0.00	£73.35	£0.00	£99.39	£0.00	£265.22	0.75 %
Debono	£0.00	£81.14	£89.47	£0.00	£188.50	£0.00	£0.00	£359.11	1.01 %
ESPAFoods	£0.00	£0.00	£162.52	£0.00	£190.99	£0.00	£0.00	£353.51	1.00 %
Billingsgate	£0.00	£0.00	£184.42	£159.55	£520.16	£206.72	£328.37	£1,399.22	3.95 %
HEP OILs	£0.00	£0.00	£124.00	£0.00	£0.00	£0.00	£0.00	£124.00	0.35 %
Premium Meat	£0.00	£0.00	£0.00	£153.64	£0.00	£0.00	£0.00	£153.64	0.43 %
Ariela's Ice Cream	£0.00	£0.00	£0.00	£0.00	£74.00	£0.00	£0.00	£74.00	0.21 %
Spanish Dairy	£0.00	£0.00	£0.00	£0.00	£0.00	£207.73	£0.00	£207.73	0.59 %
Pig Meats	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£416.74	£416.74	1.18 %
<b>Drinks</b>									
Pettit Cash	£1.41	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£1.41	0.00 %
Charlie Brown	£50.90	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£50.90	0.14 %
Mash	£0.00	£0.00	£20.26	£42.97	£12.23	£62.69	£137.27	£275.42	0.78 %
Diageo	£0.00	£0.00	£0.00	£461.88	£731.74	£0.00	£846.52	£2,040.14	5.76 %
<b>Decoration</b>									
Petti Cash	£25.50	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£25.50	0.07 %
<b>Consultancy</b>									
Food Alert	£351.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£351.00	0.99 %
<b>IT &amp; Software</b>									
HR Master	£0.00	£1,057.06	£0.00	£0.00	£0.00	£0.00	£0.00	£1,057.06	2.98 %
<b>Consumables</b>									
Catering Con	£0.00	£0.00	£158.31	£0.00	£0.00	£0.00	£0.00	£158.31	0.45 %
<b>Mantenimiento</b>									
Equipment	£0.00	£0.00	£0.00	£0.00	£266.80	£0.00	£0.00	£266.80	0.75 %
<b>Loungery</b>									
Favourtie Linen	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£649.37	£649.37	1.83 %
<b>TOTAL</b>								<b>£24,177.95</b>	<b>68.23 %</b>

## WHERE ARE WE by day of the week, at the end of the week and by category

Purchases by category (NET)									
Category	13.07.2020	14.07.2020	15.07.2020	16.07.2020	17.07.2020	18.07.2020	19.07.2020	TOTAL	% Sales
HR	£12,354.21	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£12,354.21	34.86 %
Food	£242.16	£1,087.62	£947.10	£759.76	£1,793.29	£938.26	£1,179.64	£6,947.83	19.61 %
Drinks	£52.31	£0.00	£20.26	£504.85	£743.97	£62.69	£983.79	£2,367.87	6.68 %
Decoration	£25.50	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£25.50	0.07 %
Consultancy	£351.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£351.00	0.99 %
IT & Software	£0.00	£1,057.06	£0.00	£0.00	£0.00	£0.00	£0.00	£1,057.06	2.98 %
Consumables	£0.00	£0.00	£158.31	£0.00	£0.00	£0.00	£0.00	£158.31	0.45 %
Maintenance	£0.00	£0.00	£0.00	£0.00	£266.80	£0.00	£0.00	£266.80	0.75 %
Laundry	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£649.37	£649.37	1.83 %
<b>TOTAL</b>								<b>£24,177.95</b>	<b>68.23 %</b>

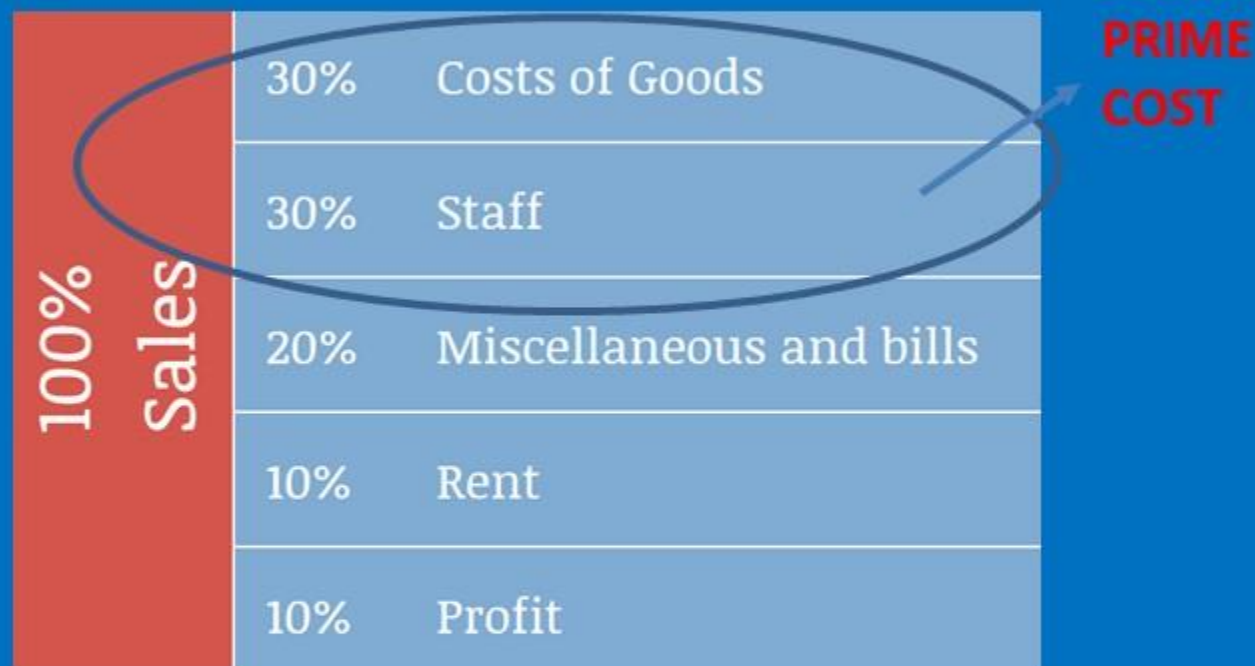


## WHERE ARE WE by day of the week, at the end of the week in our Food & Drinks Costs, Margins, stocks and purchases

TOTAL SUMMARY								
Concept	13.07.2020	14.07.2020	15.07.2020	16.07.2020	17.07.2020	18.07.2020	19.07.2020	TOTAL
Purchases	£294.47	£1,087.62	£967.36	£1,264.61	£2,537.26	£1,000.95	£2,163.43	£9,315.70
Sales	£3,136.25	£2,010.41	£4,962.29	£3,586.88	£6,710.68	£7,255.38	£7,774.29	£35,436.18
Other Sales	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
Tranfers	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
Records	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
Covers	126	78	157	135	205	231	267	1199
Average Spend per Head	£24.89	£25.77	£31.61	£26.57	£32.74	£31.41	£29.12	£29.55
Opening Stock	£14,384.48							
Closing Stock							£14,384.48	
Total Food & Drinks Costs								26.29 %
Gross Profit	90.61 %	45.90 %	80.51 %	64.74 %	62.19 %	86.20 %	72.17 %	73.71 %
GP including delivery	90.61 %	45.90 %	80.51 %	64.74 %	62.19 %	86.20 %	72.17 %	73.71 %



Remember that you must track your staff cost and your cost of goods sold as they make the biggest part of your costs in which you can make a positive impact



If you improve your food cost by improving the menu or your staff cost by adjusting rotas to sales, the impact at the end of the year can be very huge.

***Imagine if you improve your profitability by at least 5% weekly. Calculate 5% of your annual sales. That money could be in your pocket and not lost in wastage, unnecessary staff or equipment.***

# 3 Tips for the ongoing improvement process

- Make mistakes quickly
- If something works, repeat  
If something doesn't work, do it differently
- If you get stuck, ask for help

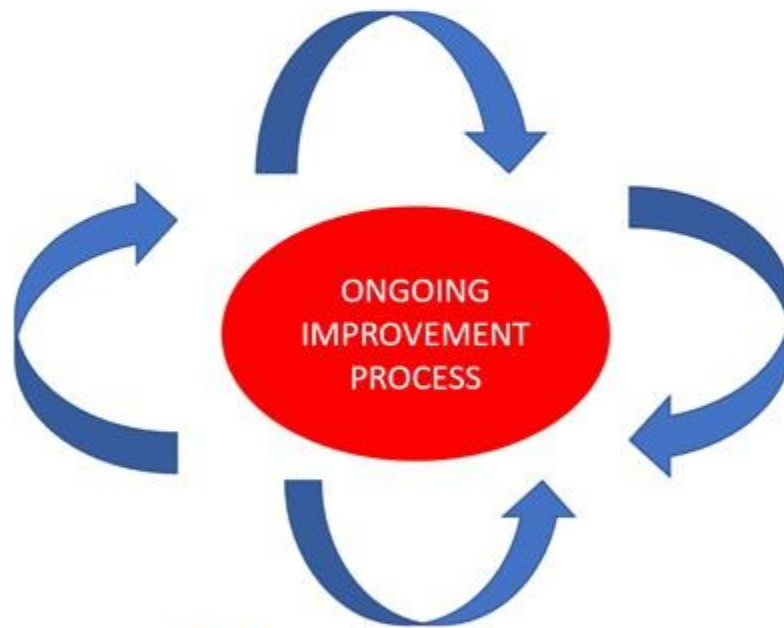
# REMEMBER

Where  
are we?

Where do  
we want  
to be?

How are we  
going to do it?

Repeat







## Who has written this guide?

Pilar García is a restaurant consultant and trainer and the founder of Pendulo.

She supports independent restaurants, pubs and cafes on to make more money and train their teams to understand WHY and HOW to manage finances and operations on a daily basis.

Above all, she loves people, food, drinks and hospitality.

She writes for several digital platforms in Spain such as “Barra de Ideas” and occasionally for “Diego Coquillat.com”

She also volunteered as F&B Coordinator for TEDxLondon for a

**Diego Coquillat**  
EL PERIÓDICO DIGITAL DE LOS RESTAURANTES



**TEDx London**  
x = independently organized TED event

 **Barra de ideas**



# What do we do?

APP

Tracker Panel - PENDULO

From 08-02-2021 To 10-02-2021 Go

	← Week 04-02-19   10-02-19	Week 11-02-19   17-02-19	Week 18-02-19   24-02-19 →
Weekly Sales (€)	32,461.30	32,053.78	33,066.25
Drinks Sales (€)	12,201.24	11,417.53	12,491.57
Drinks Sales (%)	37.59	35.62	37.78
Drinks GP (%)	77.88	77.60	77.34
Food Sales (€)	20,260.06	20,636.25	20,574.68
Food Sales (%)	62.41	64.38	62.22
Food GP (%)	72.90	74.57	74.68
HR Cost (€)	11,481.88	11,535.84	11,160.52
HR Cost (%)	35.31	35.99	33.75
Covers	1102	1047	1082
Spend per Head (€)	29.46	30.61	30.56



CONSULTANCY



TRAINING

CAFE  
*Pacifico*

JOLLY  
FINE  
PUB GROUP

—  
MEAT AND TAPAS  
LOBOS  
—

V

CHIMICHURRI

*Santo  
Remedio*  
COCINA MEXICANA  
\*\*\*

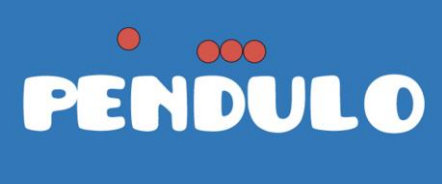
Zoco del mar  
restaurante chilli out  
[www.zocodelmar.es](http://www.zocodelmar.es)



LUPINS

We have worked with many restaurants in the UK and Spain. Here are some of the brands.





Cost control and restaurant management made easy  
[www.penduloforce.com](http://www.penduloforce.com)

Get in touch  
[info@penduloforce.com](mailto:info@penduloforce.com)



+447881577532

Follow us in Social Media with  
just one click 😊

