

FINANCIALS TECH & PRICING

Food & Beverage and Restaurant Entrepreneurship
Sybil Yang – Hospitality & Tourism Management
Spring 2024 – I&E Bootcamp

USARI 8TH ED

- See handout

COMMON-SIZED METRICS

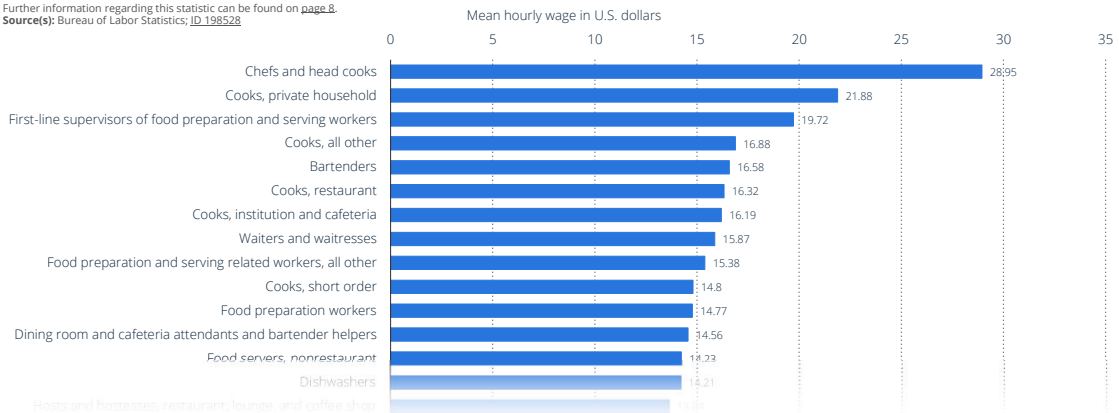
- **Prime Cost:** ~40%-65%; MAX 62-68%
- **Food Cost:** ~23%-35% of sales.
- **Labor:** ~15%-22% of sales for full-service establishments
~13%-20% for limited service establishments
! Rates are higher with high minimum wage & union shops.
- **Occupancy:** ~8%-10% of sales, MAX 20% (high-traffic, major metropolitan areas).



Hourly wages of foodservice employees in the United States as of May 2022, by occupation (in U.S. dollars)

Hourly wages of foodservice employees in the U.S. 2022, by occupation

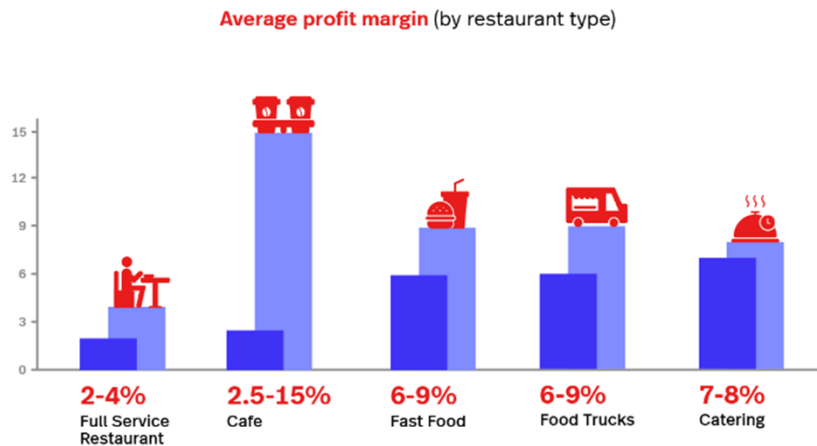
Note(s): United States; as of May 2022
Further information regarding this statistic can be found on [page 8](#).
Source(s): Bureau of Labor Statistics; [ID 198528](#)



<https://www-statista-com.jpllnet.sfsu.edu/markets/420/topic/494/food-drink-services/#overview>



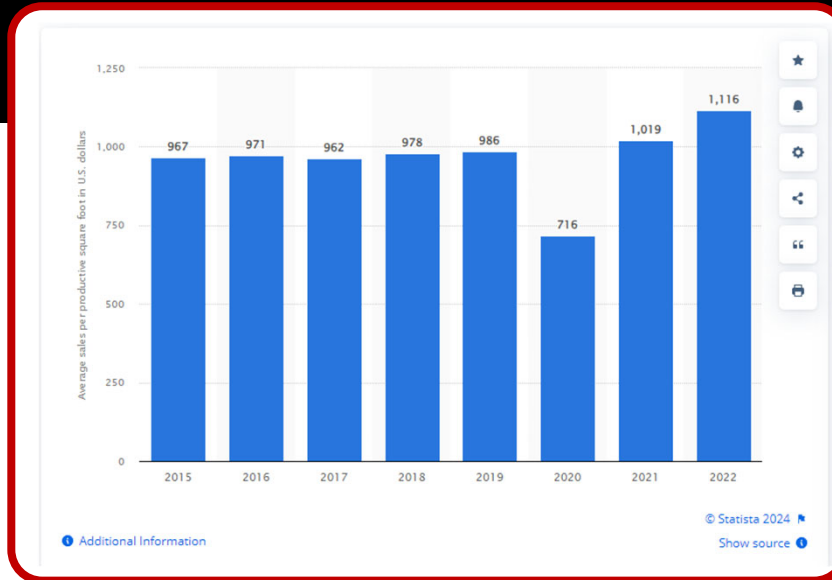
Average profit margins by restaurant type



FINANCIAL RED FLAGS

- Poor Accounting System / Protocols
- Prime Costs too High
- Menu Not Accurately Costed, Documented, Updated
- Poor Inventory Controls/Levels
- Poor Performance Analysis/Review Processes
- P&L Illiteracy

Average sales per productive square foot of The Cheesecake Factory worldwide from 2015 to 2022 (in U.S. dollars)



PRICING

- See handout

INFORMATION SYSTEMS

Back Office

- Reporting & Analytics
- Payroll
- Accounting
- Payment Processing

Back of House

- Kitchen Display System (KDS)
- Inventory Mgmt
- Menu Mgmt

Digital Ordering

- Online order (consolidator)
- Web/App menus and ordering
- Google Search/Map Integration

CRM

- Loyalty Programs
- Gift Cards
- Email, newsletters, promotions

FOH

- Point of Sales
- Reservations
- Kiosks
- Hand-helds
- Catering Mgmt

HARDWARE

Terminal and Credit Card Reader	\$	800
Terminal Bundle		1,000
CC Reader		
Receipt Printer		
Cash Drawer		
Terminal		
Each Ticket Printer		300
Router		200
Hand held POS (ea)		600
KDS		\$500-1000

