



DELAGET™

EBOOK

# 8 metrics QSR owners and operators should monitor for weekly cost savings

Your complete guide to metrics you should be monitoring weekly to optimize your business, achieve operational excellence, and—most importantly—save cash.

From operations to loss, these 8 metrics are key to finding opportunities to save.





# Data. There's no shortage of it in the restaurant industry.

On average, store operators filter through hundreds of pieces of data every month.

Rather than focusing on managing restaurant operations, restaurant leaders often spend time pouring over back of house and point of sale reports, manual P&Ls, ticket logs, and data from outside services like food service vendors, drive-thru timers, customer survey responses, and banks – all to better understand how their restaurants are performing.

But hidden in the paperwork are valuable metrics that, if analyzed properly, can save restaurants big dollars and a lot of time.

# 01. Labor

Labor is one of the biggest expenses for restaurants. If you're in a quick-service environment and averaging between \$1.2 and \$1.5 million in sales each year, your labor costs will average around 30%, according to Ed Heskett, a loss prevention and operations consultant at Delaget.

Understanding your labor costs and figuring out how to save on labor is the first step to becoming a more profitable restaurant.



Labor can be measured in some of the following ways:

- Employee productivity (amount of sales per labor hour)
- Transactions per labor hour ticket average
- Wage average in comparison to your trade area/competition
- Non-productive hours spent pre-opening or closing

## MONEY SAVING TIP

Be sure you're actively monitoring overtime and turnover rates. Excessive overtime can heavily skew wage rate averages and labor costs. And turnover is costly. The turnover rate at QSRs is around 100% – and the cost of replacing an employee can reach more than \$3,000 per employee. You should treat high turnover costs the same as high labor costs.



# 02. Customer Experience

Customer satisfaction has a direct impact on your business. When customers are strongly satisfied, they are four times more likely to recommend your restaurant to friends, family, or colleagues. And the likelihood of a return visit increases from 20% to 81% when customers report a higher satisfaction rate, according to a recent study of top QSR brands by Empathica.

Monitoring and understanding the voice of the customer will help your restaurant find cost savings. Conducting customer surveys and paying close attention to customer complaint messages will help you determine what actions need to be taken to better the customer experience.

You can also measure satisfaction by paying attention to the following factors and monitoring them against your brand's standards:

- Employee friendliness
- Restaurant cleanliness
- Speed of service
- Portioning
- Quality of food
- Order accuracy

## MONEY SAVING TIP

Customer experience indexes, scores, and metrics can provide broad insights (and give you quick information on where to direct your team's attention and what to fix), but feedback is going to be far more valuable than numbers. Read through the feedback and share constructive feedback with your team, rather than dwelling on these metrics.



# 03. Point of Sale

Multi-unit restaurant owners and operators lose an estimated \$14.2 billion in revenue every year to employee theft. And the biggest opportunity for theft happens at the point of sale system.

Be sure you're monitoring these important POS metrics:

- Discounts and promotions
- Deletes and cancels
- Refunds
- Voids
- Over-rings



## MONEY SAVING TIP

Consider implementing automated loss prevention solution like Delaget Detect. Detect allows you to search for common instances of loss down to ticket-level detail, and even alerts you to instances of loss. This unique outlier reporting may be key to saving thousands of dollars in loss.



# 04. Food Cost



Managing your overall food cost and determining your ideal food cost will help you pinpoint areas of concern in your business.

Plus, knowing your food cost (and knowing how to control it) will help you set menu pricing in a way that keeps your business profitable.

**Reviewing the following factors can help owners understand food cost:**

- Amount of food waste

- Portion sizes (too big or too small)

- Amount of food produced (used) compared to ideal amount

It's also important to note that 75% of inventory shortages are caused by internal employee theft.





# 05. Speed of service (counter)

As service of speeds continue to increase due to more complicated menu items and more product offerings, finding simple ways to improve the speed at which customers are coming in and out of your establishment (without sacrificing food quality and customer service) should be a top priority for all restaurant owners.

## Be sure to monitor:

- Order time
- Order speeds
- Line time
- Service time
- In-store delivery times (if applicable)



## MONEY SAVING TIP

Forecasting accurately is the #1 way to ensure your locations are staffed properly for spikes throughout the week. Whatever your company's sales forecasting process entails, ensure you're re-evaluating forecasting metrics periodically and re-visiting them frequently. Inflation, performance, turnover, and other variants can affect your performance and should be taken into consideration when forecasting to ensure accuracy.



# 06. Speed of service (drive-thru)

Monitoring and improving your stores' drive thru speed is critical to the success and profitability of your QSR. Around 50 to 70% of fast food sales happen at the drive thru, according to QSR Magazine. In fact, its annual survey of fast food restaurants, the magazine found the average service speed up around 2% from the previous year at 226.3 seconds.

To find gaps and efficiencies in your drive-thru speed of service, review:

Speaker or greeting time

Order time

Line time

Window time

Total order to delivery

## MONEY SAVING TIP

Train, train, and train again to increase your SOS numbers. For speed (and accuracy) on the POS and remember: There's no such thing as "too much training". Instruct your shift managers and RGMs to utilize your POS system's Training Mode whenever there is downtime.





# 07. Cash over/short



Don't fall victim to missing funds after they leave the register. Cash controls and discipline in your processes can reduce and limit cash loss, keep your employees and managers honest, prevent loss from increasing in other areas on the POS, and keep store leaders and above store leaders out of investigations. Ensure your restaurants' sales are making it all the way to the bank when you review cash/ over short data.

## Be sure to review:

- Amount of cash in the drawer before, during, and after a shift

- Amount of cash in the safe and locked office

- Validated deposit slips from the back of Smart Safe report with the expected deposit



# 08. Employee retention rates

Having an experienced, well-trained staff supports an efficient and effective operation and results in improved speed of service, consistently higher VOC scores, and a more operationally sound restaurant.

You should be monitoring these employee stats regularly and adjusting as necessary:

- Turnover rate
- Employee wage averages between stores
- Employee count per restaurant (vs. ideal employee number)
- Employees needed
- Staffed %
- Terminations and new employees

You should have this information handy using your restaurant data dashboard (Like Delaget Coach). Check these employee stats regularly and use them to build up staffing pipeline, promote employees from within, and enhance your overall culture. Keeping these metrics tight will drive down labor costs, reduce overtime, and result in better results for speed of service metrics, customer experience, order accuracy, and more.





# Conclusion

QSR operators in every menu category should be monitoring these 8 metrics weekly, if not daily.

The easiest and most efficient way to do so is to have all your systems data flow into one data dashboard; allowing leaders like yourself across your business to have accurate data accessible at any time.

If your organization is still relying on red-and-green spreadsheets that take hours to compile and consolidate, consider upgrading in a solution like Delaget Coach that will show you the biggest opportunities for growth and improvement within a minute.

Whether automated or manual, monitoring these metrics and ensuring your team are hitting their KPIs for speed, customer experience, labor, and food cost, will save you money and increase the profitability of your operation.

With the use of this guide, you're empowered to use these 9 metrics to your advantage, saving money and continuing to optimize your restaurant's operations.

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