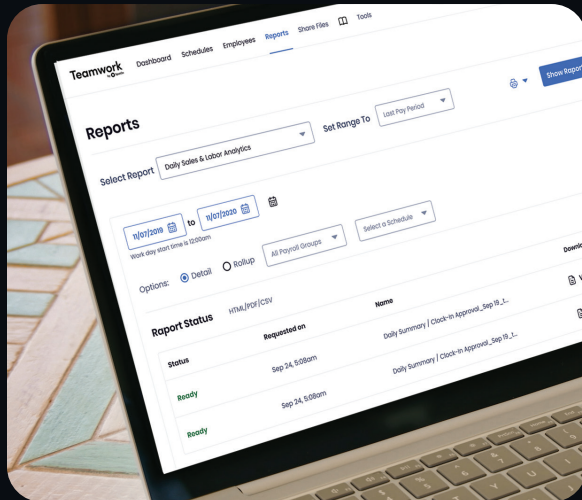# Driving Restaurant Efficiency and Profits with POS Reporting

Make real-time, data-driven decisions to streamline your operations and reduce costs with intuitive reporting tools.

Make better decisions and increase profitability with a 360° view of your restaurant

As a manager, you're the conductor of a very complex orchestra. Every day on the job, you make hundreds of decisions. When a distributor delivers the wrong ingredient or your number one staff member calls in sick, you adapt. After all, the show must go on. But guests can be fickle and their changing habits unpredictable.

Peak hours, your most popular dishes, average ticket price—and dozens of other aspects of your operations—can, and will, change based on evolving guest behavior. That's why when efficiency, profitability, and long-term sustainability, you can't simply rely on guesswork.

According to a Harvard Business Review report, businesses that make data-driven decisions are 5% more productive and 6% more profitable, on average, than businesses that don't. In today's era, where "data is the new oil," that means using accurate, real-time POS data to get a full picture of what's going on in your restaurant. After all, you wouldn't want your chef serving a dish without knowing how it tasted. Same goes with your business decisions.

The first step to making data-driven decisions is gaining access to detailed, convenient reports on sales and labor. With this data at your fingertips you can identify how to:

- Streamline scheduling and operating hours to reduce costs
- Optimize your menu for maximum profitability
- Identify hidden revenue opportunities
- Improve your employee culture and retention
- Leverage software integrations to automate time-consuming tasks

Inside look: SpotOn Reporting

With cloud-based SpotOn Restaurant reporting, you don't have to be confined to your point-of-sale or back office to know what's happening at the restaurant. Whether you're on the floor or in the comfort of your own home, you have all the information you need to make sound decisions in your back pocket.

Once you have all that data, the question becomes what to do with it? Reporting can let you know which team member is performing well and who needs additional training. It can help drill into your food costs and make your restaurant more profitable by decreasing waste. Where you might have had an inkling before, now you have certainty.

"The cherry on top is SpotOn's detailed reporting. I love that SpotOn is created by people who have been in the restaurant industry so they know exactly what restaurateurs need."

Zach Johns
Owner, Fat Zach's Pizza

It all starts with sales and labor

How do you keep track of what's selling well? You could add a tally to a mental chalkboard every time a server sells the chef's special. Or, you could check your sales report at the end of the shift and know for certain how many specials you sold, during which hours, and what that means for your bottom line. The former is subject to error, the latter lets your POS system do the work for you, freeing your mind to focus on more complicated matters.

You've determined what is making you money, but you also have to understand what your costs are. There are a lot of factors that go into operating costs, including rent payments, license fees, insurance costs, and repairing the piece of equipment that inevitably breaks at the 11th hour. For most of these costs, you only have so much wiggle room. However, one thing you can control is your cost of labor by using data to inform schedules. With sales and labor forecasting, you can remove the guesswork and determine how many staff members you'll need to run an effective shift without eating into profits or exhausting your valuable team.

See how your sales vs costs shake out with our free calculator.

Calculate your break even point

SpotOn

Manage your team more effectively

Incorporating data into management helps keep you and your staff accountable. By getting a clearer picture of who is working when and selling what, you can set goals, provide your team with targeted coaching, and reward top-performers. Numbers aren't the only thing that go into a staff members' performance. They can't capture the way a server makes their guests feel at home, or supports their team members during the lunchtime rush. But data points do provide an indisputable metric that helps evaluate your staff at both an individual and team level.

Identify and reward top-performing staff. Provide coaching to under-performers.

From your daily sales recap, you can quickly identify who is making big sales and who might need more coaching. Set realistic benchmarks and check these reports regularly.

Top employee sales. Ideally, you want everyone on your team making a certain amount of dollar sales per shift. That number depends on what you're selling and the volume of guests during the shift. When employees are below this benchmark, provide coaching on how to sell more profitable items, like alcoholic beverages or premium menu items. Share upsell techniques to bump up order totals.

Top voider. Voids can mean that the server incorrectly put in the order, or there was a mistake in the kitchen, or the guest made a last-minute switch to their order. Consistently high void totals could also indicate theft if the employee is pocketing the money. To boost profit margins, it's important to monitor voids and follow-up with top voider employees for more information on why these voids are occurring so you can minimize them in the future.

Top discounter. Discounts, especially on specific items, can be a strategic way to boost sales and delight your most loyal customers. Or, a discount could be the server making up for a mistake they've made. Similar to voids, every discount signifies a certain amount of money out the door. Identifying your top discounter helps you understand who is giving away the most (or the most expensive) items and whether it's impacting your total sales.

Who's the most effective server of them all?

Upsell contests can be a great tool for motivating staff and driving sales. There's no need to consult the mirror on the wall. Look at the Product Mix by Employee report to see top sellers and top sellers per item. Consider doing a sales contest to reward whoever upsells the most or sells the most of the item you need to use.

Case study: Bungalow Kitchen

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"SpotOn provides us with a whole bunch of key metrics and information that we need to make the best business decisions, whether it's staffing, or whether it's which products are moving or not moving. At the end of the day, that information is just a few clicks away and that allows us to have some really productive conversations in our manager meetings."

Lino Suazo
General Manager, Bungalow Kitchen

Results

2.5 | hours saved per day with Teamwork

**Bungalow Kitchen saves time and retains talent with SpotOn Teamwork.**

[Learn more]

SpotOn

Optimize your menu

Your menu is a living document. Whether testing out new menu items or making an effort to decrease food costs, reporting helps you track the impact of these tweaks. It's tempting to use anecdotal evidence to demonstrate how beloved the homemade coconut cake is or why you need three different types of green salad, but using sales reports to identify high and low performing items is the sure fire way to create a cost-effective and popular menu.

Here's what to look for.

- **Which menu items need to be removed.** Saying goodbye is tough, but holding on to unpopular menu items that are costing you money is tougher. Eliminate menu items that have both low profitability and low popularity.

- **How to reduce food waste and costs.** Menu items that are unpopular and expensive drain your resources and contribute to food waste. Cut down on both by implementing sales strategies, using the ingredients in other dishes, or removing the items completely.

- **Where to increase margins.** Raising prices on your most popular items can help increase profit margins. Test your guests' price sensitivity by raising prices on certain items and then comparing sales before and after.
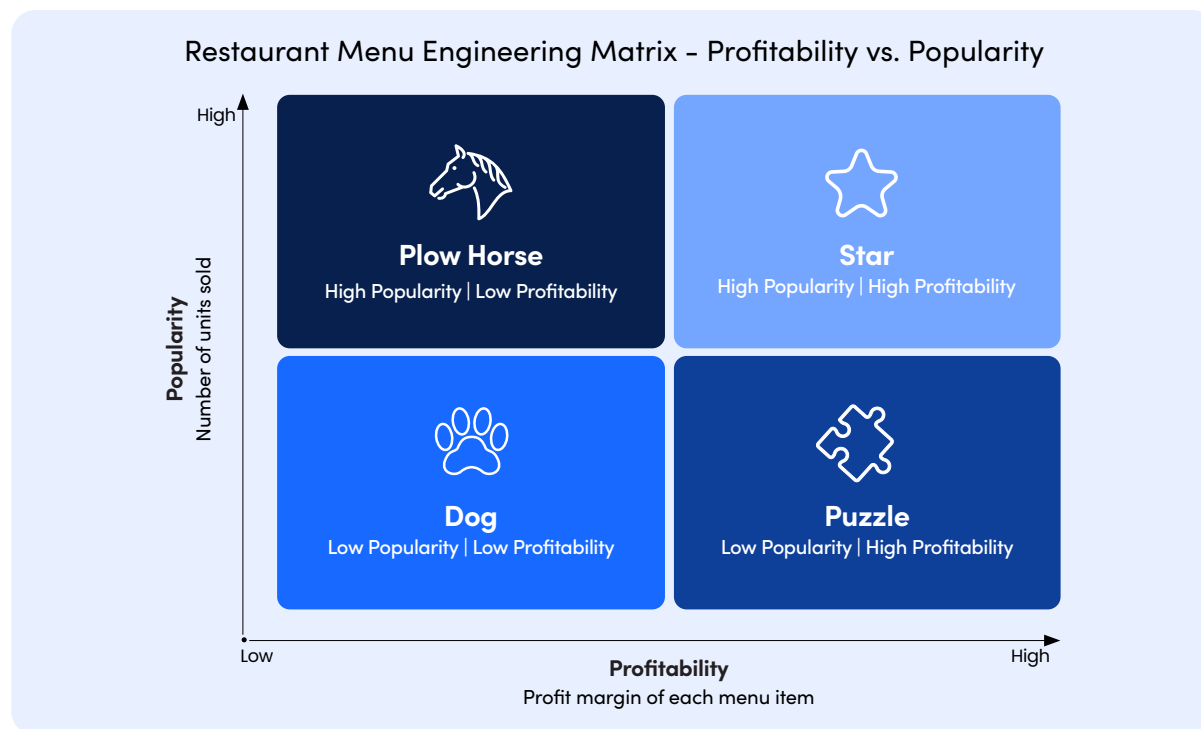
- **How to have more informed conversations with purveyors.** When your menu changes, so do your needs from purveyors and distributors. Focusing on top-selling items can help you determine key items and what you can swap to keep costs in check.

Restaurant Menu Engineering Matrix – Profitability vs. Popularity

High

Popularity
Number of units sold

Plow Horse
High Popularity | Low Profitability

Star
High Popularity | High Profitability

Dog
Low Popularity | Low Profitability

Puzzle
Low Popularity | High Profitability

Low   **Profitability**   High
Profit margin of each menu item

Engineer your menu for maximum profitability.

[Get the free menu worksheet]

SpotOn

Make your restaurant more profitable

When your business is making money, it makes all the long nights and busy shifts worth the hustle. The only way to know for certain if your restaurant is turning a profit is to accurately track the revenue coming in and costs going out. Thankfully, when your reports are easy to interpret and access, staying on top of trends is quick work.

Product Mix. You can customize your product mix to focus on the data that's most important to you. If you want to filter the data for your bar manager to only see beverages sold, you can easily do that from this report. Click on any item to get a detailed breakdown of which employees are selling it and which customers are buying it. Most importantly, see which items that product is most often paired with. Looking for a special offer to tempt in more customers during a quieter afternoon period? Look no further—this report gives you the data you need to pick a sure winner.
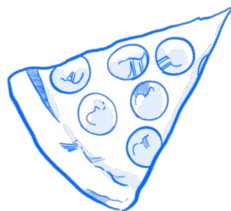
Check and guest averages. Check and guest averages are one piece of the puzzle of profitability. They could be trending high since you've had to increase menu prices due to supply chain issues or because it's the holidays and you've booked a number of large group gatherings. Either way, they can tell you when it might be helpful to run an upsell campaign or offer a deal that incentivizes higher spend.

Compare performance across multiple locations

Running multiple locations means exponentially more work. But with a bird's eye view of all your locations, you can save time and compare locations to know where to place your focus. Gain clear, concise insights on all your locations on one dashboard.

Here are some things to look out for when comparing multiple locations.

- Highest performance
- Highest check average
- Labor cost
- Sales
- Guest traffic

"Along with employee and menu management, the cloud based reporting has been priceless in helping us keep tabs on all 7 locations remotely. SpotOn offers a really robust reporting package with their POS...We also love that it's easy to send sales data to QuickBooks."

Sam Josi
Co-owners of The Tipsy Pig, Mamanoko, Padrecito, and Blue Barn (4 locations)

Understand your food costs with inventory management integrations

The last piece in the profitability puzzle is cost of goods. It's all well and good to know what you're bringing in and spending on labor, but if you're not tracking how much you're spending on food and beverage you could be losing out on profit margins. When your point-of-sale and inventory management software work in sync, you get the most accurate possible picture of your food costs and can make money-saving decisions on what you're spending or charging.

SpotOn integrates with MarginEdge so you can track invoices, food cost trends, and build recipes to ensure quality and consistency. See how integrating inventory management with your point-of-sale can help you save time and increase profit margins by monitoring costs and then altering your menu and prices in just a few clicks.

Case study: Tiny's & The Bar Upstairs

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"For us, it's not about saving money. It's about being accurate in your food and beverage costs. At Neighborhood Projects, we do the most accurate calculation of cost. This means we calculate all purchases, food and beverage sales, and then we take a physical count once a month to calculate the average weighted cost for everything that happens on this property. MarginEdge gives us the opportunity to be accurate on our costs."

Rachid Abdelouahad
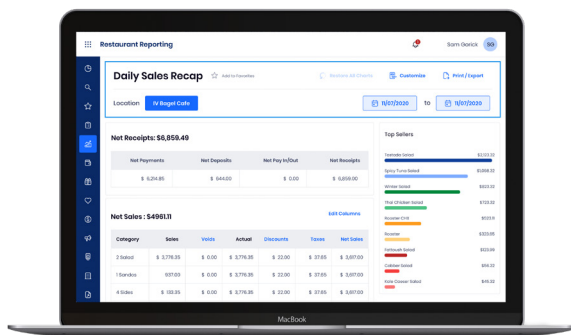Director of Operations

Results

17+ | hours saved per week

### Read their story...

Learn more

SpotOn

The top three
SpotOn reports

Daily Sales Recap. This is your one-stop-shop when it comes to end-of-day reports. Visit the daily sales recap on your SpotOn dashboard to know what you're selling and spending. This report is interactive, so you can click on the different categories and get a more detailed view.

Credit Card Transaction. View a list of all credit card transactions by location and payment type. This list is searchable so you have an exact record of what you charged each card at what time. This can help you handle credit card disputes and identify your top-spending guests.
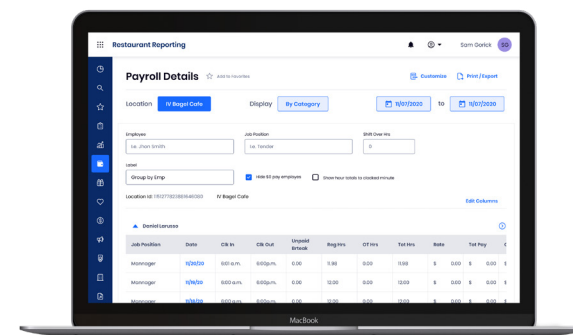
Payroll Detail. See employee hours over a specific period, including shift-level detail and hour totals. From here, you can also edit payroll, double-check employee clock-ins and clock-outs, and export reports for your accounting or human resources teams.

Streamline operations with insightful reports

You don't need a natural aptitude for numbers to incorporate data into your decision-making. With SpotOn Restaurant point-of-sale, you gain best-in-class reporting and the ability to make changes on the fly based on your learnings. Our products are created by a team of experts who know and love restaurants and are committed to your success with personalized setup and support along the way.

Talk to a restaurant tech expert

Learn more

SpotOn