



37

**NO-BRAINER IDEAS
TO MAKE YOUR
RESTAURANT MORE
PROFITABLE**

**Your 2018 Checklist for
Restaurant Success**





We all know the damaging stats. **60% of restaurants fail their first year and 80% fail after 4 years.** But you've survived... and maybe even thrived. And you want to keep it that way.

So how do you avoid the pitfalls the vast majority of restaurants make that doom them to fail?

Well, we've got you covered.

Here's 37 no-brainer ideas to make your restaurant more profitable in 2018.

It's organized into 6 easy-to-digest sections around operations, accounting, inventory, hospitality, employee management, and marketing.

And you got links. Links to helpful resources that will help you execute each idea.

We hope you enjoy this resource.

Cheers to a more profitable 2018!

The Team at Orderly

OPERATIONS

1. Manage your food costs weekly instead of monthly

- [More than 92% of restaurants overpay their suppliers.](#) Instead of looking at prices monthly when catching price increases happens too late, watch your prices weekly to catch changes that could decrease your profits. Need better visibility into food costs? [Try this app](#)... it automatically tracks your spend.

2. Use recipe costing and price your menu for profitability

- Doing a recipe plate costing exercise allows your culinary genius to translate into financial delight. We recommend checking menu profitability monthly or quarterly at most. Use this [recipe plate costing calculator](#) to price your menu. And we don't recommend using recipe plate costing for more complex activities like theoretical inventory. [Recipe plate costing can become ineffective](#) if done wrong.

3. Know your Prime Cost and calculate it monthly

- Prime cost is actually your #1 financial health metric. It includes all those things you pay for on a day-to-day basis that keep your restaurant running. Basically, it's the products and people power needed to keep you in business. Use this [Prime cost calculator](#) to [know your Prime Cost](#) and calculate it monthly.

4. Perform quarterly supplier reviews and compare supplier pricing to local and national prices

- If you're not performing a formal 1:1 supplier review, you're missing the boat. It's your opportunity to talk to your suppliers about quality, customer service, and price. Take control of your food costs by [sitting down with your suppliers every quarter](#), asking for price relief on important items and items with a high percentage of increase. Use this [Quarterly Business Review Template](#) to prepare for your meeting.

5. Create a baseline price for your most common ingredients, so you can easily catch price spikes/jumps

- Understanding your food costs is a top priority for your restaurant. Create a baseline price for ingredients based on market research and prior supplier purchases. Use this to [catch supplier pricing increases that eat into your profits](#).

6. Track prices on your top 20 items by spend and respond to price increases

- Evidence shows [you're overpaying your suppliers](#)... Track your top 20 items by spend monthly. Identify and react to price increases quickly. This has a direct and immediate impact on your profit. [Use this app](#) to automatically track and report on your top 20 items.

ACCOUNTING

7. Eliminate paper invoices and automate your invoicing processes

- Invoices are a messy stack of paper and lead to endless data entry. They are also a massive time suck. Automate the process. Throw away the boxes of invoices. Capture and record invoice images, dollar amounts, line item detail, and all your existing supplier information [with the Orderly App](#).

8. Use a 4-week accounting period instead of monthly

- Unlike the typical 12-month calendar, the [4-week accounting cycle](#) consists of 13 accounting periods of exactly 4 weeks (28 days), which complements the weekly cycles used in many restaurants and provides for more relevant period comparisons on the profit and loss statement.

9. Review your accounting on an accrual basis instead of a cash basis

- The upside of [accrual basis accounting](#) is that it gives you a more realistic idea of income and expenses during a period of time, therefore providing a long-term picture of the business that cash accounting can't provide.

10. Reconcile bank and credit card balances every month

- [Reconciling monthly balances ensures that common errors are corrected](#) in your company's file as the year progresses. No one enjoys the daunting task of cleaning up 12 months' worth of transactions at the end of the year.

11. Choose an accountant who specializes in Food and Beverage

- Not all accountants are the same. The accountant you hire to manage your restaurant's book should have a thorough understanding of the industry and how to best serve your restaurant's accounting needs. Need a referral? Check out William Lee, he's the [Bookkeeping Chef](#).

12. Make sure your accountant allocates payroll between front-of-house (FOH) and back-of-house (BOH) employees

- [Breaking out payroll by specific roles](#), such as server, chef, line cook, etc. allows for more accurate record keeping, which allows the ability to see exactly where your business is profiting or losing money.

INVENTORY

13. Educate your staff on the importance of inventory and how to do it right

- Food costs typically account for around 30% of a restaurant's budget. It's important to educate your staff on why inventory is taken and the correct way to take count, whether that's [through an app](#) or an [inventory count sheet](#).

14. Create a weekly or monthly inventory schedule

- By creating a daily, weekly, or monthly inventory schedule, you're creating an expectation for your team. An inventory schedule also creates accountability for your inventory team: all inventory and shortages must be accounted for.

15. Identify one person to be your 'receiver'

- By [identifying a team member to be your receiver](#), you can dramatically reduce inventory errors, increase efficiency, and lower your COGS. Not only should you train this person on how to effectively receive the products you order, they should also know how to code invoices, mark items missing, and how to redirect ordering when there are errors.

16. Assign employees to count and input inventory

- Similar to identifying one person as a receiver, employees should also be identified and assigned to your inventory team. Each employee on your inventory team will be held accountable by your receiver for any inventory count errors.

17. Hold less than 1.5x your Cost of Goods Sold in inventory

- The FnB industry is cash-strapped. You must have a solid handle on ordering and inventory depletion. [Hold less than 1.5x your COGs in inventory](#). The upsides include freeing that inventory up to improve your cash flow.

18. Calculate your inventory COGS, usage, and days on hand

- You make important decisions about your restaurant's future every day—and those [decisions should be based on data](#). It's important to have a real-time COGS, usage, and days on hand calculation. This helps you run your business more efficiently.

19. Identify if there are significant increases or decreases in food usage

- Suppliers increase and decrease prices daily. Keep track of what prices you've paid in the past and compare those to market price. This can be done with a spreadsheet or inventory app. [What are you overpaying for?](#)

20. Perform daily spot checks on your most popular and/or expensive items

- Spot checks are an easy way to proactively prevent having to 86 a dish or tell your loyal customer you're out of his favorite appetizer. In between your weekly inventories, [perform daily spot checks on your most popular items](#) and prepared foods. It will help you stop shortages before they get out of hand.

CUSTOMER SERVICE & HOSPITALITY

21. Make sure your manager or GM is visible and interacts with guests nightly

- Your manager or general manager should be visible to both guests and employees. Train them to interact with guests nightly. A simple “Is everything going okay?” or “Do you need anything else?” can go a long way for customer service. The National Restaurant Association has some great ideas on [management training](#).

22. Assign ownership of online review sites to a reliable, customer service-centric employee

- Online review sites, such as [Yelp](#) or [Google Maps](#), are often the first place someone checks when looking at reviews, complaints, and ratings. Assign ownership of review sites to a reliable, customer service-centric employee and make sure all issues are addressed.

23. Handle all guest complaints in a timely fashion (daily or weekly)

- It’s important someone on your team reads and interacts with all complaints in a timely fashion. There’s [an ‘art’ to responding to complaints](#). Complaints are a chance to remedy the situation... use it wisely.

24. Respond to reviews 3x per week

- [Responding to reviews can be tough](#). It takes a lot of work, patience, and creativity to do it consistently each week. If a customer leaves a review, then there’s an implied expectation engagement on the part of the business. A response is a must, regardless of the content, theme, or length of the review.

25. Keep your dining areas clean and tidy

- It goes without saying that a dining area should always be clean and tidy. The dining area is the face of your business. [Create a daily, weekly, and monthly checklist](#) for both front of house and back of house.

26. Include a signature dish and a variety of unique dishes on your menu

- Customers increasingly want to enjoy something they can share with others, and [signature dishes give them that kind of unique experience](#). Signature dishes often create enthusiastic support and word-of-mouth traffic. It’s a win-win for both the restaurant and the customer.

27. Update your delivery and online ordering software

- Uber Eats, GrubHub, Door Dash... they’re the new things. If you haven’t updated your ordering software to be compatible with delivery services, you’re missing out on a brand new avenue... [more than 20% of those surveyed order delivery](#) at least once a week.

EMPLOYEE MANAGEMENT

28. Hire employees who fit your restaurant's culture

- At its core, cultural fit means that employees' beliefs and behaviors are in alignment with their employer's core values and company culture. The first step in hiring for cultural fit is to be able to [articulate what values, norms and practices define your business](#).

29. Hire managers who reserve time to train and teach their team

- When hiring (or promoting) managers, it's important you set the expectation of training staff. Make sure your managers are setting aside time every month or quarter to review training docs and evaluate performance.

30. Communicate with staff and ask for feedback

- As the owner or leader of your restaurant, it's important that you actively talk with your employees. What kind of feedback do they have for the business? Use this feedback to make improvements when necessary. Here's how to go about [collecting feedback from your employees](#).

31. Hold quarterly training meetings for important restaurant processes

- Your employees are bound to forget some of the training they went through. Hold quarterly training meetings to refresh their minds and overcome the "[forgetting curve](#)".

32. Train employees to offer quick service

- Set expectations: How long from door to table? How long before they're served? And how many times do they check with the customer during their meal? There's no scientific answer, but set expectations for your team and train them to offer quick service.

33. Make sure your delivery wait times are short

- Long delivery times... they're almost as bad as 86ing a menu item. Set expectations for your delivery times and shorten the wait as much as possible. Customers often expect quick delivery... the longer they wait, the angrier they'll get.

MARKETING

34. Make sure your website is updated regularly and is user-friendly

- In order to give your customers the best experience possible, make sure your website is updated regularly and is [user-friendly](#).

35. Post 3x per week on social media, even if you're curating content from other sources

- Social media helps build your recognition in the community, build a loyal following, and helps you leverage that following to create new customers. Post content often and engage with your audience. Here are a few [ideas on what you should post to your social media accounts](#).

36. Collect email addresses on your website for communication and rewards/discount offers

- In the digital world, an email address is your top priority. Collecting email addresses on your website allows you to actively market new menu items, discounts, and reward programs. Email allows you to directly market to your potential customers, which can translate into a busy restaurant. Need some ideas? Here are [57 tips to grow your email list](#).

37. Host regular events like family night, date night, trivia, or karaoke

- Shake things up at your restaurant. [Host event nights](#), like family night, date night, or trivia, to help create more foot traffic for your restaurant. They'll also help fill up tables on nights that are normally slower.

BONUS: [Download the FREE Orderly App](#) for paperless invoicing, painless inventory, and price comparison.

PAYING TOO MUCH?
Now you'll know...

[GET THE FREE APP](#)

ORDERLY The Big Bacon

Bacon

\$5.50
\$5.00
\$4.00
\$4.00
\$3.50

The advertisement features a blue background. On the left, the text 'PAYING TOO MUCH?' is in large white letters, followed by 'Now you'll know...' in a smaller white font. Below this is a red button with the text 'GET THE FREE APP' in white. A red arrow points from the button towards the right. On the right side, there is a white smartphone displaying the 'ORDERLY' app interface. The app shows a price comparison for 'Bacon' with a line graph. The y-axis of the graph is labeled with prices: \$5.50, \$5.00, \$4.00, \$4.00, and \$3.50. The graph shows a fluctuating line representing price changes over time.