

Restaurant Business

Understanding Revenues and Costs for Increased Profit



Facts at a glance

- Global Employees 4,000
- Private
- Country : Hong Kong SAR
- A leading food and beverage operation with 8 chains and over 40 outlets

Customer Quote

“Now we collect and analyze operations data in a rigorous manner. Our management has eventually been connected to the real time business performance, which is vital to our lines of business”

FlexSystem Solution

- [Business Intelligence](#)
- [Financial Management](#)
- [Financial Query](#)

Key Issues

- Management of different brands
- Determining product mix and profit mix across brands
- Inconsistent data metrics
- Strategic management reactive not pro active

Needs and Challenges

- Fast moving and highly competitive business. Key focus areas include cash flow, breakeven and financial analysis, product and service productivity statistics, all leading to price , product mix and cost decision making
- Vast number of variables that effect profit: daily covers, fixed costs, material costs, food preparation time, variable labor costs, events, holidays, and weather
- Understanding through daily analysis needed a 2 week turn-around time to complete
- Reviewing company performance could only be at high level and not the granular level sought by the Group
- Point and sale data collected from the various outlets were one of the main key sources of business intelligence; however they were collected from diverse outlets
- No homogeneous data for consistent analysis
- Reporting formats not consistent for comparative purpose

Benefits

- Daily management reports are produced on scheduled basis
- All relevant data are automatically extracted and delivered in a consistent reviewable format for comparative purposes
- To deal with the intensely competitive environment we provided an interactive query tool to investigate patterns, enhance discovery of underlying data with trends providing deep insight for business managers
- Ability to drill down to the lowest level of any transaction
- Ability to create and keep for further use drill down scenarios and advanced visualizations of data
- Ability to understand breakeven points and profit implications through changes in product mix on overall profits, cost variation achieving specific profit level
- Ability to get alternative reference points for variable food costs to provide additional financial check points on food costs and hence cash and profit implications
- The ability to understand the complexities of product mix, excessive inventory levels by product
- Ability to understand service productivity such as revenue per hours, seasonal sales fluctuations, and specific product profitability

