

E-BOOK

# Best Practices for Data-Driven Restaurants

Sage Intacct for Restaurants

Hospitality



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## Your accounting system should propel you forward, not just look backward

As your restaurant or franchise navigates current challenges, you start finding that your old accounting system which worked fine in the past starts holding you back. Manual processes and lack of visibility into your locations as well as across the entire business hinders strategic decisions.

You have abundant financial and operational data that flows into the business from multiple streams – point of sale, reservations, scheduling systems, just to name a few. A powerful benefit of a cloud accounting system lies in integrations with best-in-class systems to turn that data into insights efficiently and accurately. Those reports that used to take hours? Done, in minutes. Consolidations for your entities that used to take weeks? Automated, in real time.

The right accounting software minimizes the manual work in getting the insights you need, so you can spend more time driving forward-looking strategy.

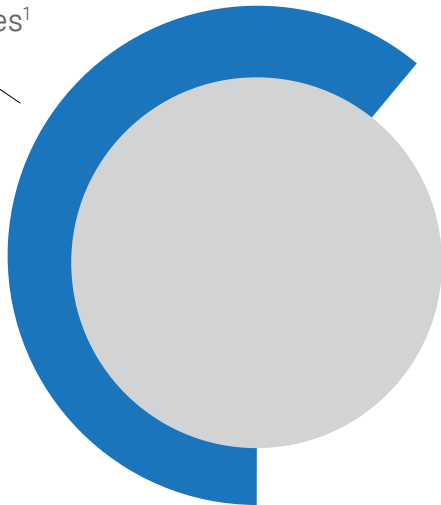


## Stay on top of prime costs to maximize profits

In a traditionally slim margin industry, restaurants are challenged with keeping a close eye on their prime costs.

Prime costs are a large expense area, on average making up 61.3% of sales<sup>1</sup>. You want to keep them from growing too high, but if they are too low, they could indicate poor quality or service. Staying in control of your prime costs starts with consistently and routinely monitoring them.

Prime costs are on average **61%** of sales<sup>1</sup>

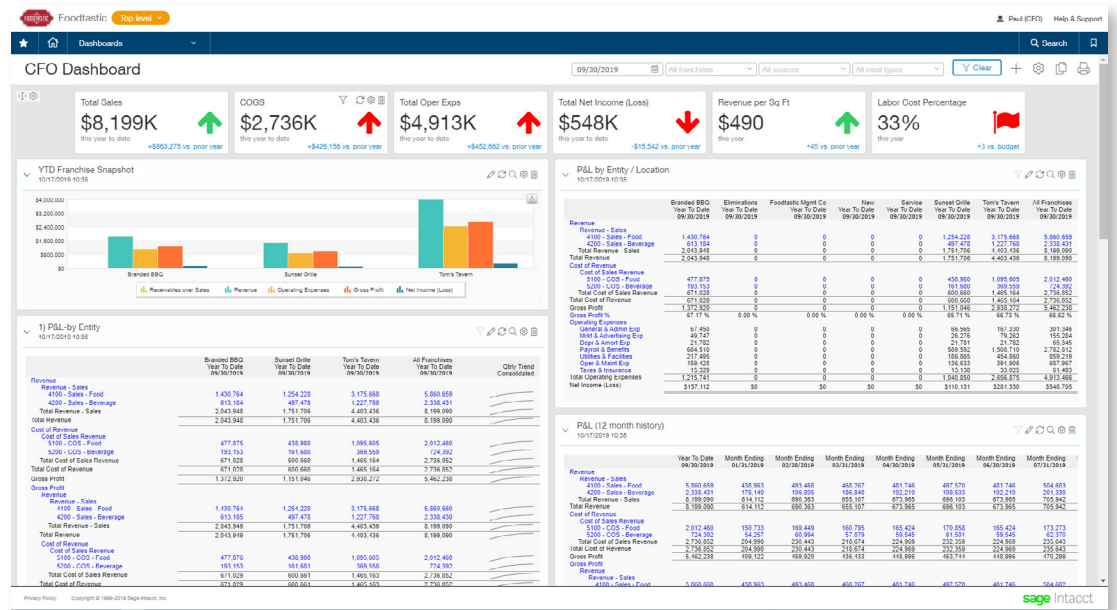


<sup>1</sup> BDO, "The Counter: Restaurant Industry Scorecard." Q1 2019

# Get granular insights into your COGS

You need insight into how each food and beverage category is behaving compared to budget or a prior period in order to identify problem areas and plan an approach. Give COGS a spot on your dashboard. Next, track your food and beverage items as dimensions so you're able to drill down into the details of each.

Viewing COGS in this way can indicate problem areas to investigate. If the cost of an item is too high compared to budget, is it time to renegotiate or switch vendors? If the cost of an item is higher than normal compared to sales, could it be that employees are inaccurately measuring ingredients and more training is needed? Or could it be that menu items are priced too low? Taking corrective action starts with precise insights.



## Best practices for tracking COGS

- View COGS as a performance card metric on your dashboard
- Leverage dimensions to slice and dice your inventory data for maximum visibility and impact
- Automate accounts payable invoice processes to eliminate time-consuming, error-prone tasks – and get real-time insights into your food costs

## View labor costs with full context

Labor costs, which include wages, recruitment, taxes, and benefits, are typically presented as a percentage of sales. While labor cost targets and their management will look different in each restaurant, there are ways to leverage a flexible cloud accounting system to control this area of prime costs.

Assign staff categories, such as hosts, servers, kitchen staff, and management to reporting dimensions so you can easily see what is driving your costs. Drilling into those dimensions, you can generate labor reports that indicate whether the restaurant is being staffed at the right levels at the right times of day, so you can course correct if needed.



### Best practices for tracking labor costs

- Keep labor costs within line of sight on your dashboard
- Assign staff categories to dimensions to easily generate labor reports for a deeper view
- Optimize scheduling with scheduling apps in order to manage your labor costs, and integrate them with your cloud financial management system so that you can run labor reports in real-time

## Improve visibility and save time

When there are multiple instances of an accounting software for entities, hours of data manipulation between spreadsheets and the system, and days of consolidations to roll up those financial results, the business is making decisions based on stale information.



The faster we grow, the more difficult it becomes for our two majority leaders to maintain a hands-on approach with each restaurant... With Sage Intacct, we are able to filter our financials by region to see trends and analyze key figures to determine which regions are able to sustain growth or need attention.

– Tammy Getschman, Director of Accounting,  
S&L Companies (Culver's franchisee)



The benefits from Sage Intacct have been the real-time data being instantaneous so that we can get the information that we need, and improving workflow processes so you're not bogged down by day-to-day stuff.

– Cesar Elizondo, Controller,  
StarCorp (Hardee's franchisee)



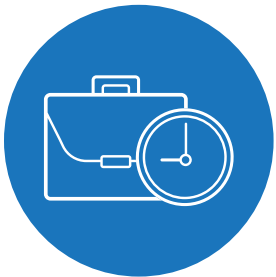
## Best practices to boost efficiency

- Track and report on your business using a shared dimensional chart of accounts. A dimensional GL allows you to slice and dice data in a way that's meaningful to you and build custom reports in minutes in-system, so you can spend less time manipulating spreadsheets.
- Automate financial consolidation activities including inter-entity transactions, local tax reporting, currency conversions, and more. At any point in time, view the current financials of each of your locations, brands and entities, with continuous consolidations.
- Integrate your best-in-class restaurant systems, such as POS systems, inventory management and scheduling, with your cloud accounting system to effortlessly track your prime costs without the need for manual data entry.

## Create detailed custom reports in minutes

Custom reporting that meets the exact requirements of each entity can be available in minutes, thanks to dimensional drilldowns. Reports displaying dimensions enable a deeper understanding of performance drivers at your restaurant. For example, drill down into the sales by location, employee, or menu item within a food & beverage report. If a menu item is not selling well, you can compare its sales to its costs in the prime cost report. With combined insights on the item's sales and costs, you'll be able to make the informed decision on whether you should stop selling the item or decrease the price to sell more.

Stakeholders throughout the company should be empowered to create and use reports that they need. Sage Intacct report creator tools are user-friendly enough that anyone from the staff accountant to the CFO can create role-based dashboards and financial reports within minutes, so there can be higher frequency and accuracy in reporting.



Reports and visualizations are provided in real-time, so businesses save up to **40 hours per month** on reporting and cut time spent checking data accuracy by **75%**.



Sage Intacct has helped streamline our business by allowing us to create twice as many reports in less than half the time we needed in the past.

– Pam Bakker, Controller  
Laird Management (Burger King franchisee)





## Improved efficiency reduces accounting overhead 21% amid 90% growth



I'm personally saving time I can allocate to developing my team and automating mundane tasks... We can focus on deeper reviews and becoming analytical monsters who can better support the operations team and ensure effective data-driven decisions.

—Sean Skuro, Controller  
Tender Greens



### Challenges prior to Sage Intacct

- Lacked visibility into performance across a dozen locations
- The legacy accounting system sat apart from other systems, so manual data entry was needed
- Report preparation was a time-consuming process

### Gains with Sage Intacct

- Real-time reporting and dashboards for visibility into critical business metrics
- Hospitality apps automatically feed data into Sage Intacct, such as point of sale numbers, average check and labor, and invoices
- Self-service dashboards empower managers with transparent information

### Results

- 21% reduction in accounting overhead, while growing the business 90%
- 20% faster monthly close, with increased accuracy
- Freed months of report preparation time

## Real-time financial insights improve cash flow by \$760,000



We're seeing massive savings due to the automation we've accomplished with Sage Intacct. And rather than crunching numbers all day, we are seen as strategic business advisors to our client location units.

– Jeff Banaszak, CFO  
Creative Dining Services

**CREATIVE** DINING SERVICES®  
*Complete Hospitality Management*



### Challenges prior to Sage Intacct

- QuickBooks was unable to scale with company growth
- Hundreds of hours weekly spent on manual data entry
- Required skilled programmers to maintain homegrown AP system

### Gains with Sage Intacct

- 350 hours saved weekly of manual accounting work
- Site-specific dashboards and real-time data enable informed decisions
- \$20,000 saved annually by eliminating need for third party application

### Results

- 18,000 hours in savings annually from manual data entry
- 20% reduction in annual overhead costs
- \$760,000 improved cash flow

## Evolve into a key strategic partner of the business

Your restaurant has an abundance of operational and financial data. The right cloud accounting system enables you to quickly harness that data so you can make proactive management decisions, by bringing:

- **Flexible & custom reporting that fit your needs.** Use custom financial and operational dashboards based on a dimensional GL structure so you can make data-driven decisions, easily.
- **Accuracy & speed with automation.** Automate the ongoing finance tasks like financial consolidations so they take minutes, not weeks.
- **Real-time visibility across systems.** Integrate your restaurant systems so you can effortlessly maintain a current, holistic financial view all in one place.

Sage Intacct enables restaurants to operate on strategic insights through access to real-time information instead of backward-looking data. Dimensional reporting drills into the most granular detail, and can also instantly roll up multiple entities for a complete, strategic view of company performance.





## Why do restaurants and franchises trust Sage Intacct?

Sage Intacct is the innovation and customer satisfaction leader in cloud Financial Management. AICPA-endorsed and best-in-class, Sage Intacct is a scalable and extensible system that provides multi-dimensional analysis and industry-specific capabilities to automate complex processes and improve company performance, so data-driven finance leaders can focus on strategic initiatives.

For more information, visit [www.sageintacct.com/hotel-hospitality-accounting-software](http://www.sageintacct.com/hotel-hospitality-accounting-software)

