A LOOK INSIDE THE RESTAURANT INDUSTRY MANAGEMENT OPERATIONS

Key findings Based on Survey Responses Via LTM Research

RESEARCH OVERVIEW

OBJECTIVE

Explore applications of restaurant management technology

TARGET INDUSTRY

National and regional restaurant and hospitality chains with headquarters in the United States & 50+ locations

TARGET AUDIENCE

Operations executives with regional or national responsibility for their respective chains
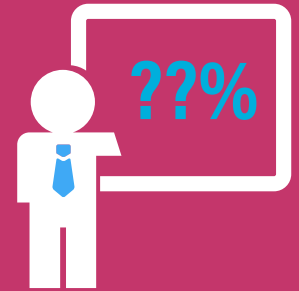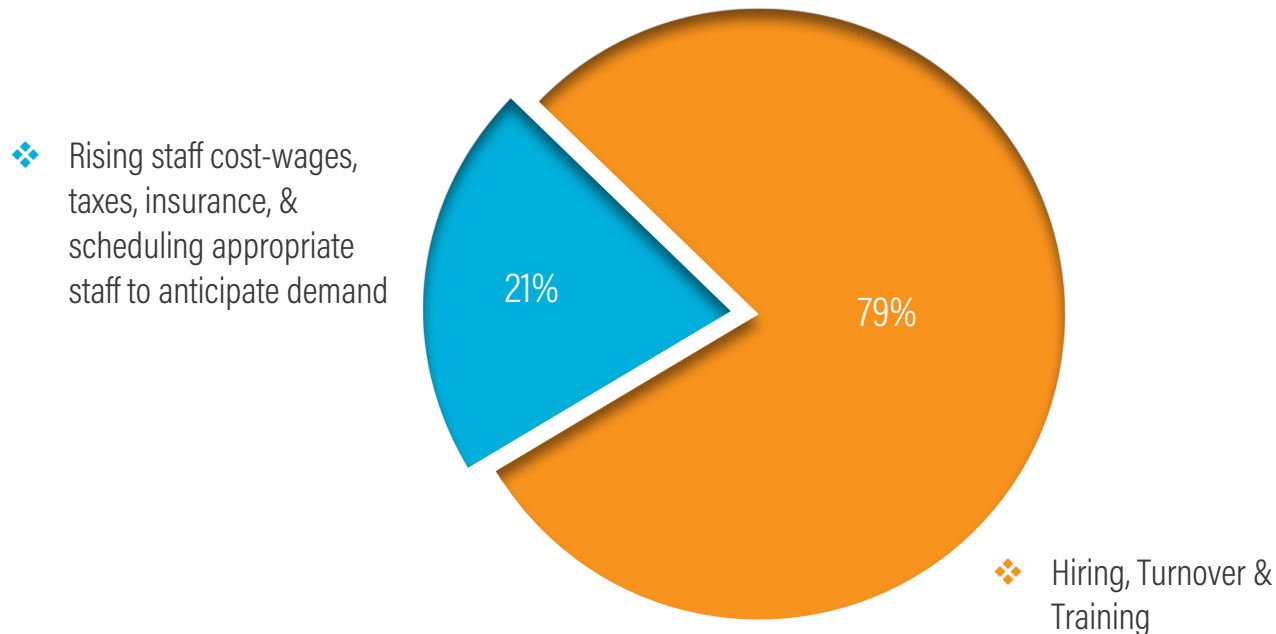
TOPICS OF THE STUDY

Labor Management
Forecasting Demand
Payments & Supply Chain

Labor Management

Hiring, staff turnover, and training are major areas of concern, closely followed by operational problems related to rising wages and staff scheduling
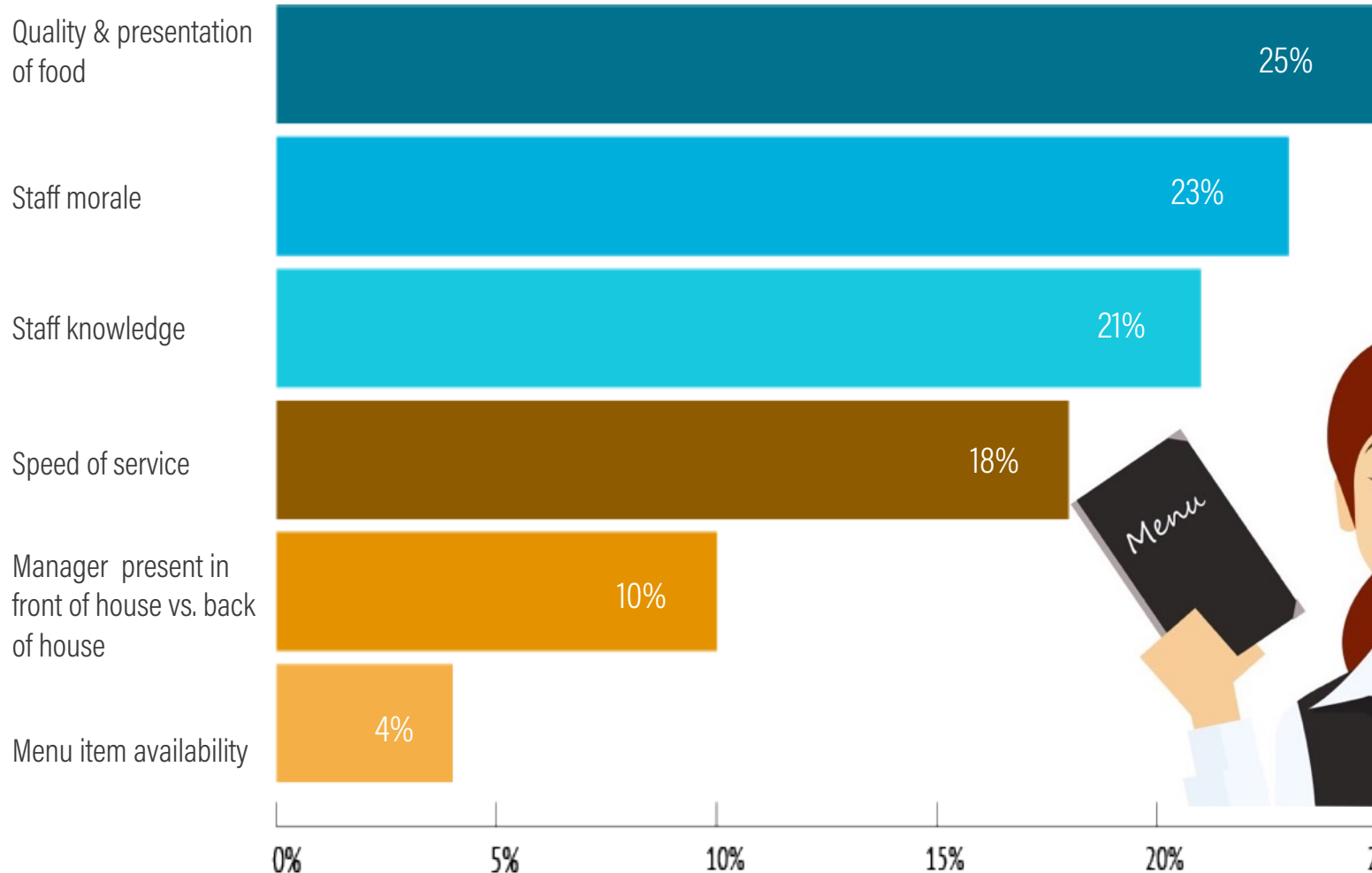
❖ Rising staff cost-wages, taxes, insurance, & scheduling appropriate staff to anticipate demand

21%

79%

❖ Hiring, Turnover & Training

??%

Do you find turnover to be the biggest challenge or scheduling and labor cost to be the bigger issues?

Is it something else?

# STAFF MORALE IS A CRITICAL VARIABLE THAT CAN MEAN THE SUCCESS OR FAILURE OF A RESTAURANT'S OPERATION

## Ranked from most important to least important operational variable

Variable	Percentage
Quality & presentation of food	25%
Staff morale	23%
Staff knowledge	21%
Speed of service	18%
Manager present in front of house vs. back of house	10%
Menu item availability	4%

0%   5%   10%   15%   20%   25%

56%

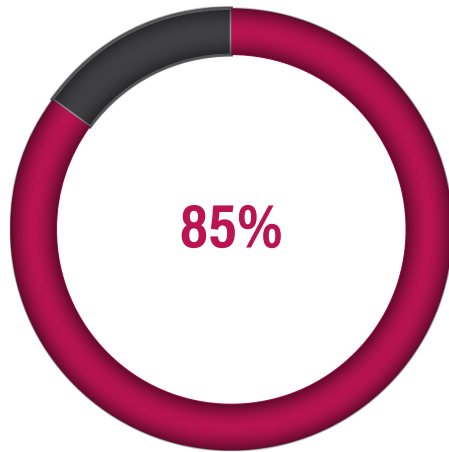Time Management Systems fail **56%** of the time to integrate all time requirements in calculating staff schedules

On average, managers spend 3.25 hours per week preparing labor schedules, versus under an hour using automated systems

35% Manual

65% Automated
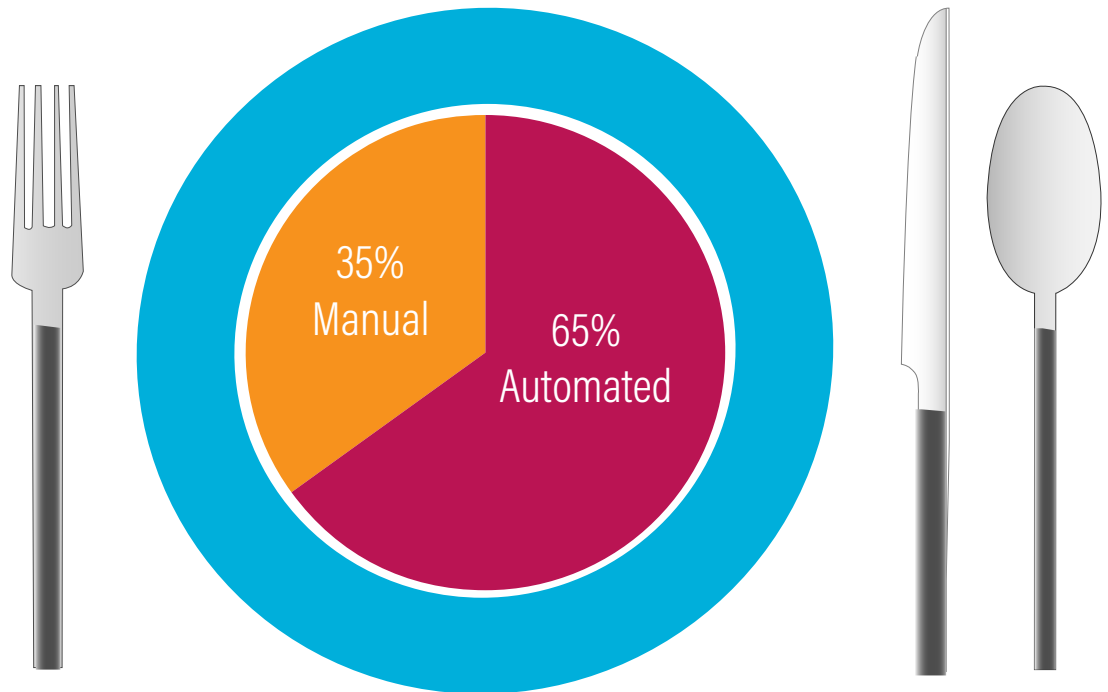
85% of respondents report that guest experience varies between locations.

85%

95%
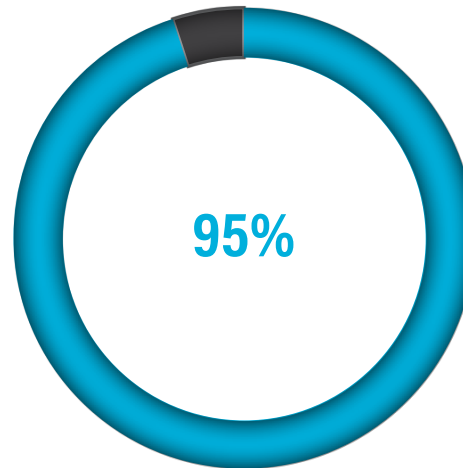
95% of respondents report detrimental effects as a result of variable guest experience.

Variables impacting chain management include forecasting and planning, inventory management, labor scheduling, and staff morale

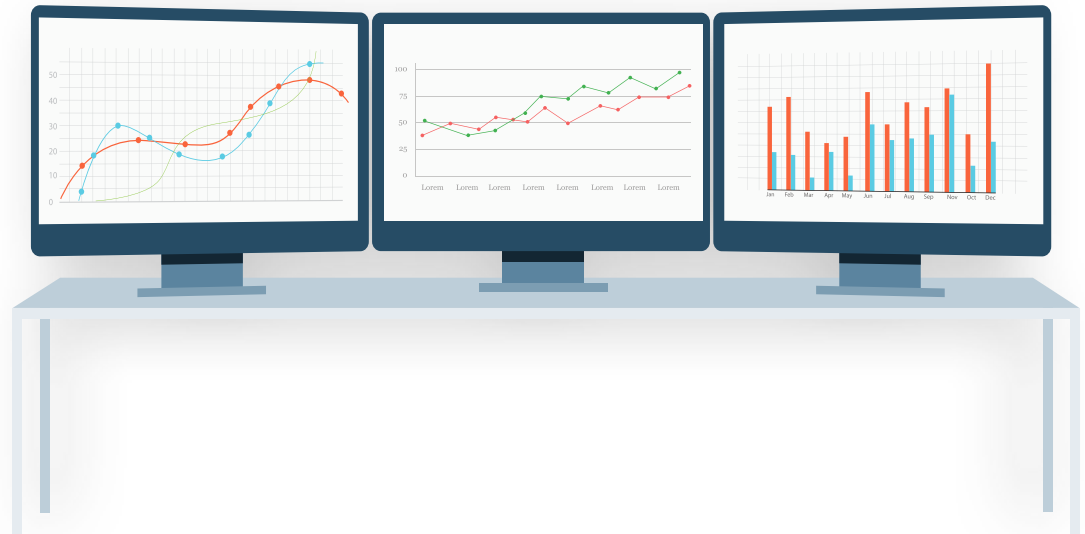# Respondents report that labor allocation can be improved in 78% of Restaurant chains.

78%

Curated research indicated that algorithms for optimal labor deployment is the most important

73% of respondents cannot reliably balance inventory, labor, and service demand in real-time

Yet,

87%

of respondents report they have access to real-time dashboards

Is it a case of Garbage in ➡ Garbage out?

Do your operational reports drive actionable insights?

FORECASTING DEMAND

Demand forecasting is required for efficient operations

Many of restaurants have no system to forecast demand

Many have forecasts so inaccurate they are not suitable for forecasting
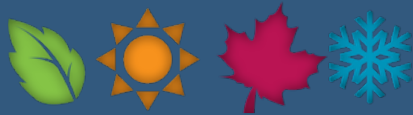
Inability to forecast leads to increased food and labor costs

58%

58% of respondents have difficulties balancing labor, inventory & staffing demands.

Forecasting Matters: for example seasonality results in great volatility of demand for many Restaurants.

What factors effect demand in your operation?

33% of respondents reported 50% or more revenue variation due to seasonal factors

23% of respondents reported 10% or more variances between planned & actual demand

PAYMENTS & SUPPLY CHAIN

The procure to pay process is a work in progress industrywide. This drives up cost and drives down efficiency and accuracy.
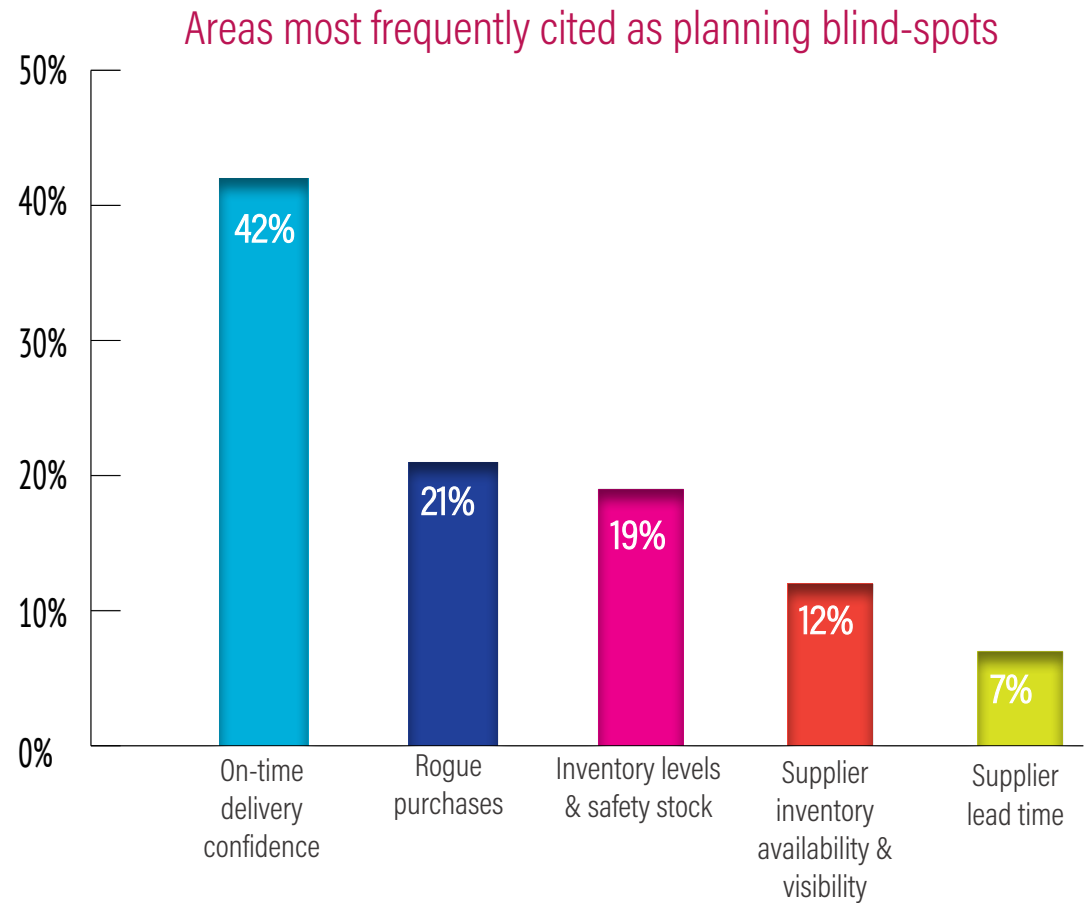
What is your focus for improvement?

Category	Percentage
Inventory Management	38%
Recipe costing	32%
Accounts Payable	28%
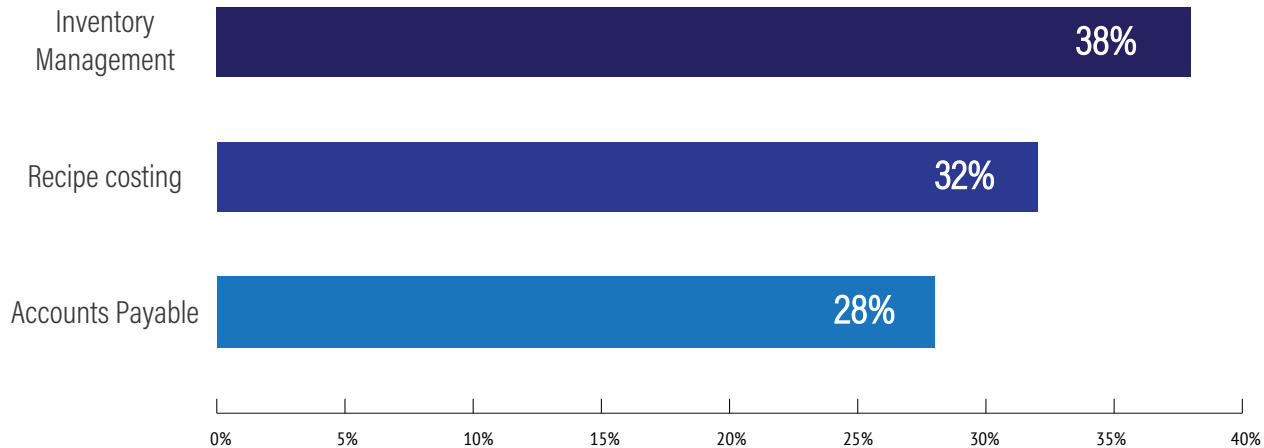
All respondents expressed a desire to improve their Procure-to-pay systems

Data driven supply change inventory tracking is key to improving service & reduction of waste

Better Supply Chain data visibility for managers is desired across the industry

Areas most frequently cited as planning blind-spots

	42%	21%	19%	12%	7%

- 50%
- 40%
- 30%
- 20%
- 10%
- 0%

On-time delivery confidence

Rogue purchases

Inventory levels & safety stock

Supplier inventory availability & visibility

Supplier lead time

WHY FOURTH

Combines best in class point solutions into a single management suite.

Better Data Driven Customer Experience Management

Cost reduction through better Inventory Management

Improved workforce management and engagement

Latest procurement science embedded in the procurement to payment process.

Industry-leading operational analytics

Take a test drive
&
we will put you on the

road to expanded profits!

Thank you!