

Planning a Profit

A Practical Guide to Boosting Profits
in Hospitality Venues

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PERI

Plan

Execute

Results



Improvement

At Profitability Partners, we specialise in helping hospitality venues maximise their profits through clear, actionable strategies.

This eBook will walk you through the same steps we use to transform our clients' profitability. From restaurants and pubs to bars and cafes, we know the common pitfalls that can hurt your bottomline—and more importantly, how to fix them.

This guide will provide you with insights into how we work with clients to improve their profitability, track key performance indicators (KPIs), and implement strategic decision-making processes. Whether you're facing declining sales, rising costs, or a lack of clarity around your financials, this eBook is designed to offer practical solutions.

Running a profitable hospitality venue is more challenging than ever. As we've worked with hundreds of venues across Australia, we've identified three primary issues that most owners face.

In this section, we'll cover the three biggest problems venue owners face:

1

Understanding the Challenges in Hospitality Profitability

1. Declining Sales & Changing Consumer Behaviour

Foot traffic has decreased for many venues due to increased competition, changing customer preferences, and economic uncertainty. To tackle this, we help our clients come up with ideas through encouragement and feedback loop. It's all about creating a consistent customer experience that brings people back to your venue time and time again.

2. Rising Wages and Costs

With the rising costs of wages, rent, and inventory, many venue owners struggle to maintain profit margins. At Profitability Partners, we assist clients in controlling these expenses by focusing on better inventory management, staff optimisation, and negotiating supplier contracts. By keeping a close eye on labour costs and implementing smarter rostering systems, we help you manage staffing costs without sacrificing service quality.

3. Lack of Decision-Making Tools

Many venue owners are unsure where their money is going, which leads to poor decision-making and missed opportunities. We provide our clients with detailed and timely financial reporting systems, ensuring that they have a clear view of their key numbers. Knowing your financials inside and out is critical to making informed business decisions.



2

Our Profitability Matrix

The Heart of Your Financial Success

At Profitability Partners, we've developed a Profitability Matrix that serves as a blueprint for venue owners to understand and improve their financial performance. This matrix breaks down the critical financial components that directly impact your profit. Let's explore these key areas:

sales

Your venue's top-line revenue. We work with clients to boost sales through strategic pricing, upselling techniques, and improving customer service to encourage repeat business.

COGS (cost of goods sold)

This represents the direct costs associated with producing your menu items. We help clients optimise their COGS by reducing waste, negotiating with suppliers, and implementing portion control systems that maintain quality without overspending and implementing effective inventory system.

wages

Labour costs are typically the largest expense for venues. Through effective scheduling and employee training, we help clients manage their wages efficiently to keep costs down while maintaining high service standards.

rent

Rent is a critical cost that requires its own analysis, as it is often one of the first and most significant financial decisions made for a venue. Rent can vary widely among venues, making it an important metric for comparison. We assist clients in evaluating their lease terms to ensure that rent aligns with the venue's revenue potential and business goals.

overheads

These include fixed costs such as utilities, insurance, and other operational expenses. We help clients find cost-saving opportunities within their overheads to improve profit margins.

EBITDA (earnings before interest, taxes, depreciation, and amortization)

Earnings Before Interest, Taxes, Depreciation, and Amortisation is a key indicator of your venue's overall profitability. By monitoring EBITDA, we help venue owners get a clear picture of their financial health and ensure that their business is operating efficiently.

profitability matrix



**By monitoring these areas,
you can get a clear picture of where
your business stands financially.**

The Four-Step Profitability System

How We Help Venues Thrive

3

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We believe that every venue can be profitable with the right strategy. Our proven Four-Step System—**Planning, Execution, Results, and Improvement** has helped hundreds of Australian venues increase their profitability.

We start every engagement by working closely with venue owners to set realistic financial targets. This involves creating a clear budget, setting sales goals, and developing strategies to manage costs effectively.

1 Planning

Setting Clear Financial Targets

Budgeting: We work with you to develop a budget that aligns with your business goals and covers everything from labour costs to marketing spend.

Setting KPIs: Make sure it's realistic and meets your venue's needs.

2 Execution

Putting Plan Into Action

Once we've laid out a clear plan, we move into execution. This is where we help you put the strategies in place that will drive real financial results.

Daily Monitoring: We implement systems that allow you to monitor your KPIs daily. This helps you track performance in real-time and make adjustments when needed.

Market Adaptation: The hospitality industry is dynamic, and we help our clients stay ahead of market changes by quickly adapting their offerings, pricing, and marketing strategies.

Financial Forecasting: We help venues develop accurate financial forecasts that take into account seasonality, local events, and changing customer trends.

3 Results

Measuring Success

Measuring and analysing results is at the core of what we do. We provide our clients with comprehensive financial reports and insights into their venue's performance.

Weekly Profitability Reports: Our clients receive weekly reports that detail their venue's performance, allowing them to make informed decisions quickly.

Monthly P&L Reviews: We conduct in-depth reviews of your profit and loss statements to ensure that you're hitting your targets and identify any areas where improvements can be made.

4 Improvement

Continuous Growth

No matter how well your venue is performing, there's always room for improvement. We work closely with our clients to ensure they continue to grow and improve.

Ongoing Coaching & Support: We provide regular coaching sessions to help venue owners stay on track, offering actionable advice and accountability.

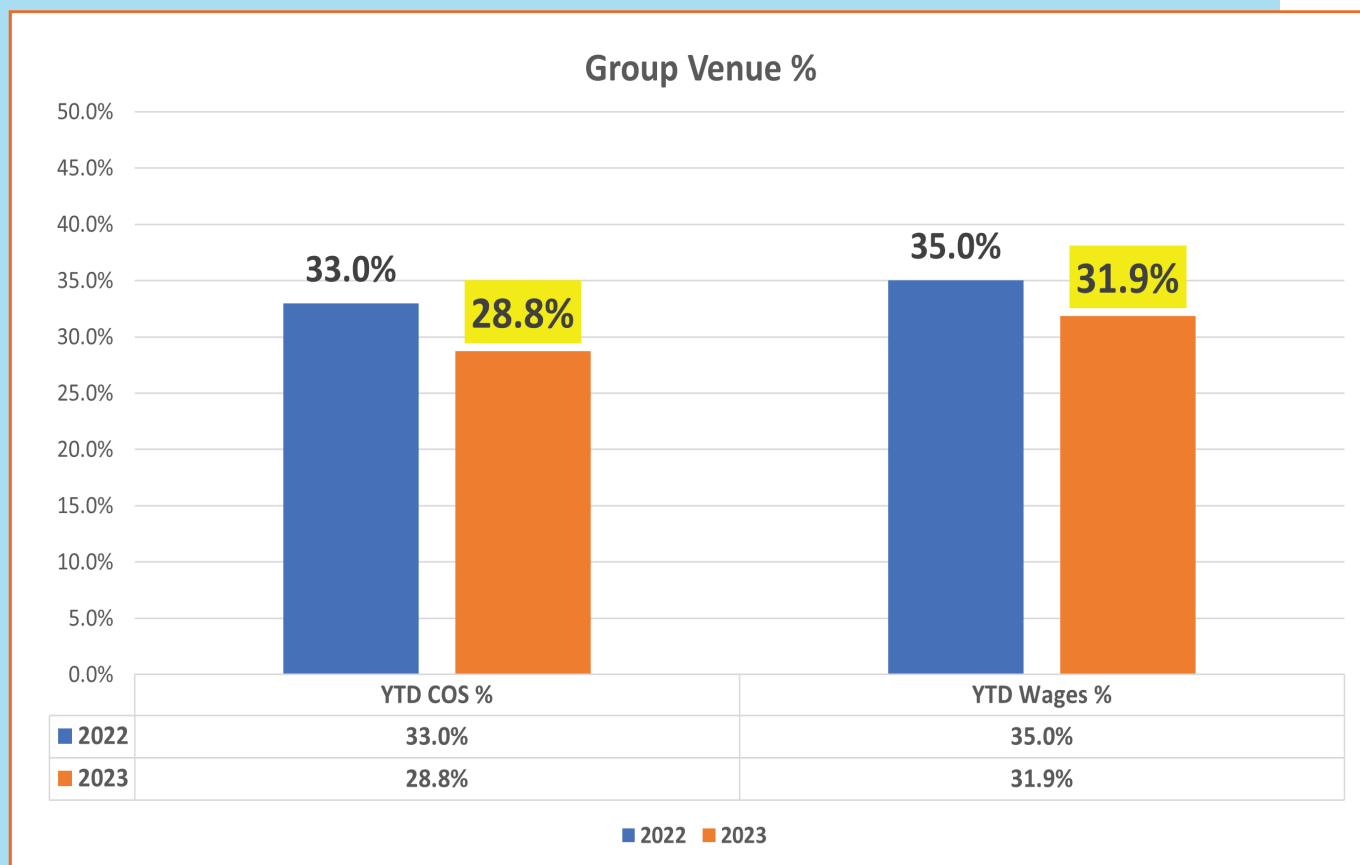
Profitability Mindset We encourage our clients to adopt a profitability-first mindset, ensuring that every decision they make is aimed at improving their financial performance.

Case Study

How We Transformed Lucky Group

At **Profitability Partners**, one of our most successful client transformations was with The Lucky Group, a hospitality company operating four distinct venues.

When The Lucky Group came to us, they were struggling with several key profitability issues. Through our tried-and-tested Four-Step System, we helped them turn things around. Let's explore the journey in detail:



The Challenge

When we first engaged with **The Lucky Group**, they were facing several significant challenges that were threatening their profitability and growth:

1. High Labour Cost

Labour was one of the most critical challenges for **The Lucky Group**. With wages consuming a significant portion of their revenue, they were finding it difficult to maintain a healthy profit margin. Overtime costs, inefficient rostering, and staffing during off-peak hours were eating into their profits.

2. Lack of Financial Visibility

We encourage our clients to adopt a profitability-first mindset, ensuring that every decision they make is aimed at improving their financial performance.

3. Weak Cost Controls

While the group had strong sales, they were struggling to manage their costs. Food and beverage waste was high, and supplier contracts weren't regularly reviewed for better pricing. This contributed to high COGS, reducing their profit margins.

4. Inconsistent Customer Experience

The quality of service and product delivery varied across their venues. With no standardised systems in place, each venue operated differently, which led to inconsistent customer experiences, affecting repeat business.

The Solution

Step-by-Step Transformation

Our first step was conducting a detailed analysis of **The Lucky Group's** financial performance and operational processes. Based on our findings, we developed a customised action plan to address their specific challenges and improve profitability. Here's how we did it:

Step 1: Planning – Creating a Financial Roadmap

- We began by setting clear financial targets for each venue. This included defining revenue goals, setting a realistic budget for wages, and establishing ideal COGS percentages based on industry standards.
- We developed a comprehensive training program to educate the venue managers on key financial concepts, such as profitability reports, wage-to-revenue ratios, and how to use daily financial tracking tools.
- Additionally, we worked closely with the owners to align their long-term business goals with their financial strategies, ensuring they had a clear plan for growth and profitability.

Step 2: Execution – Implementing New Systems and Processes

Optimising Rostering: One of the first actions we took was to overhaul their rostering system. By implementing more efficient staff scheduling, we ensured that labour costs were aligned with peak and off-peak trading hours. This helped reduce unnecessary overtime and ensured that staffing levels were appropriate based on customer demand.

Daily Financial Tracking: We introduced a daily financial tracking system that allowed managers to monitor sales, wages, and COGS in real-time. This provided instant visibility into each venue's performance, enabling timely adjustments to staffing, ordering, and service levels.

Supplier Negotiations: We reviewed their supplier contracts and renegotiated better terms for bulk purchasing, which significantly reduced COGS. We also implemented stricter inventory management and portion control systems to reduce food and beverage waste.

Step 3: Results – Tracking and Measuring Success

Significant Reduction in Labour Costs: Through our new rostering system and financial training, The Lucky Group was able to reduce their labour costs by 15% across all venues within the first three months. This translated into substantial savings, which directly impacted their bottom line.

Improved COGS Management: With better inventory controls and supplier agreements, the group saw a 10% reduction in COGS, which boosted their gross profit margins. Managers became more accountable for monitoring stock levels and reducing waste.

Step 4: Improvement – Continuous Growth and Optimisation

Coaching and Support: We provided ongoing coaching to the venue managers and owners, ensuring that they continued to stay on track with their financial goals. Through regular coaching sessions, we helped them refine their processes, troubleshoot new challenges, and continually seek ways to optimise their operations.

Mindset Shift & Positive Competition: By fostering a positive mindset and friendly competition across The Lucky Group's venues, we encouraged teams to strive for excellence in customer service. This shift led to more consistent, high-quality experiences, boosting customer satisfaction and loyalty. In turn, this approach drove both repeat business and increased profitability.

The Outcome

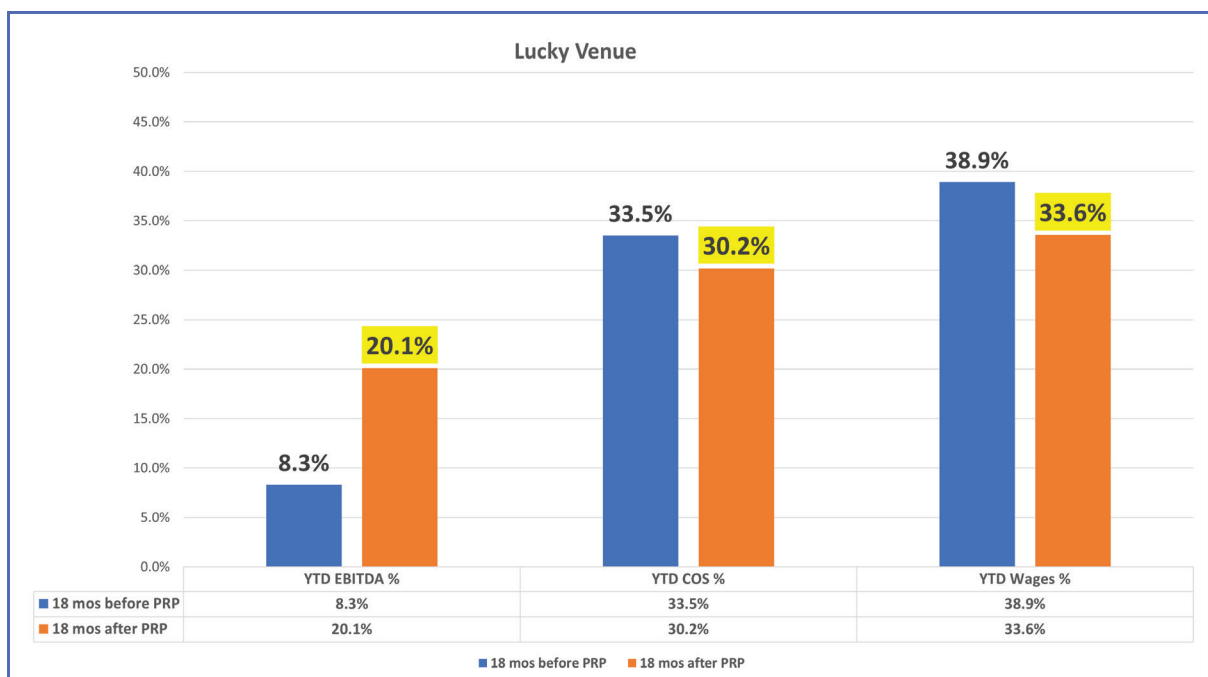
A New Era of Profitability

The transformation of The Lucky Group was a resounding success. With the right financial strategies in place and a renewed focus on operational efficiency, the business saw immediate improvements in its profitability. Here are some of the lasting impacts:

Confidence in Financial Reporting: The owners and managers now had full visibility into their numbers, allowing them to make informed decisions that directly improved the business's performance.

Stronger Manager-Owner Relationships: With clearer financial expectations and regular reporting, the communication between owners and managers improved significantly. Managers were now more accountable for the venue's financial outcomes and could confidently report on performance.

Sustained Profitability: Even after the initial engagement, The Lucky Group continued to improve its financial performance. With ongoing support from Profitability Partners, they have expanded their venues and are actively looking for new opportunities to grow the business.



Case Study

The Lucky Group

1

Analysed their numbers:

They learned where their costs were out of control.

2

Improved manager understanding:

With proper coaching, managers began making better decisions.

3

Tracked key performance indicators (KPIs):

Over time, they saw improvements, reduced costs, and boosted profits.

today, the Lucky Group is thriving, with confident managers and improved financials.

5



The Power of Profitability Coaching

Our coaching services are at the heart of what we do at Profitability Partners. We believe that every venue owner can benefit from having a coach to guide them through financial challenges and help them stay on track towards profitability.

Personalised Coaching: We offer tailored coaching sessions that focus on your specific business needs, whether that's managing costs, improving sales, or understanding your financials better.

Accountability: Regular check-ins ensure that you're staying focused on your profitability goals and making progress.

Strategic Advice: We help you make critical decisions, from when to hire more staff to whether it's time to invest in expanding your venue.

Data-Driven Decision Making

Benchmarking Your Success

One of the most powerful tools we provide our clients is the ability to make data-driven decisions. By comparing current performance to both previous results and industry benchmarks, venues gain clear insights into areas of excellence and opportunities for improvement. This approach helps clients track progress over time, making adjustments that drive consistent growth and profitability.

Benchmarking we compare your key numbers—such as wage percentages, COGS, and profit margins—against industry averages, helping you see where you can improve.

Strategic Adjustments based on these insights, we work with you to make strategic adjustments that lead to better financial outcomes.

By comparing your numbers to similar venues, you can identify areas of strength and improvement.

Take Control of Your Venue's Profitability

Your venue's success is in your hands. With the right planning, execution, and tools, you can improve profitability and grow your business.

Book Your **Profit-Finding** Session



Are you ready to get started? Book a Profitability Planning Session today. Scan the QR code or visit our website to take the first step toward a more profitable future.

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