

# 10 Operating Principles

## Behind Strong Restaurants

*(almost no one is doing #9)*

### **Financial clarity. Stronger decisions. A restaurant that grows with you.**

Running a successful restaurant is about more than great food—it's about leading a business that supports your team, your guests, and your life.

The challenge? Most owners only see last month's numbers. By the time cash is tight or margins slip, your options are already limited.

These ten habits are the quiet disciplines we see in the restaurants that stay calm, profitable, and in control. None of them are revolutionary. None require new software or a finance degree. They aren't complicated. But they create clarity, uncover hidden profit, and help owners make better decisions before problems show up. These are habits the strong operators have already built into their week, often without being able to articulate why. They compound. **Pick one. Implement it this week. Add the next one next month.**

**About #9:** If you only adopt one habit from this guide, make it the 13-week cash forecast on page 3. It's the single most powerful financial tool a restaurant owner can build—and in our 20+ years of advisory work, we rarely see one already being used. Most owners discover cash problems the week they arrive, when most options are off the table.

**Format:** Each habit includes the discipline, why it matters, and a real-world example from a restaurant, bar, or hospitality group.

### **01 Track food cost every week—not every month.**

Food cost is the single biggest lever in a restaurant. It typically runs 28% to 32% of revenue; one point off is thousands per month. Monthly tracking is too late—by the time the P&L shows the variance, weeks have compounded. Weekly tracking catches portioning, vendor price increases, and waste while you can still act on them.

► **What this looks like:** A burger spot owner runs weekly food cost on Mondays. It has drifted from 30% to 34% over three weeks. A walk through the kitchen reveals a new prep cook over-portioning cheese. One conversation, problem solved—before month-end would have flagged it.

## 02 Schedule labor against a sales forecast—not a gut feeling.

Labor is your second-biggest cost. Build schedules from a real forecast (last year's same week, adjusted)—not from "Tuesday feels slow." One overstaffed shift costs \$150–\$300. One a week is \$10,000–\$15,000 a year—the difference between a profitable year and a stressful one.

► **What this looks like:** A café owner scheduled Tuesdays on instinct. Her POS data shows Tuesday morning is actually her third-busiest period. Reorganizing the schedule lifts Tuesday revenue 12% with no added labor cost.

## 03 Reconcile POS sales to bank deposits every day.

Daily reconciliation catches uncomped tickets, voids, refunds, theft, and processor delays. Gaps you find on day one are conversations; gaps you find on day thirty are accusations. Five minutes a morning is the lowest-cost loss prevention you will ever implement.

► **What this looks like:** A pizza shop owner reconciles every morning over coffee. He catches a \$180 gap—the closing manager voided four cash tickets the night before. A coaching conversation that day instead of a confrontation a month later.

## 04 Know your prime cost—and check it every week.

Prime cost is food, beverage, and labor combined, as a percentage of revenue. For most concepts the target is under 60%. It is the single most important number in your business—and most owners can't tell you theirs. That's exactly why most restaurants are barely profitable.

► **What this looks like:** A casual dining operator ran a 67% prime cost for a year without realizing it. Two changes—tighter kitchen scheduling and a 3% menu price adjustment—pulled it to 58%. Same revenue, \$90,000 more annual profit.

## 05 Price your menu by contribution margin—not by the competitor.

Your competitor's \$14 dish might cost them \$3 to make. Yours costs \$5. Matching their price isn't competing—it's bleeding. Sort every item by gross margin, then design the menu around what earns. Reposition winners above the fold; retire the dogs.

► **What this looks like:** A bistro re-engineers her menu by contribution margin. She repositions three high-margin appetizers above the fold and retires two low-margin entrees that consumed prep time. Four points of margin recovered in a quarter.

## 06 Set aside sales tax the day you collect it.

Sales tax is not your money. Restaurants get into trouble using it as working capital, then discovering the bill at quarter-end. Auto-transfer the tax portion of every deposit into a separate account the day it clears—and the quarter-end fire drill disappears.

► **What this looks like:** A taqueria owner sets up a daily ACH transfer of 8% of sales into a dedicated sales-tax account. Quarterly filing arrives, money is already there—no scramble, no penalties, no late nights.

## 07 Take inventory once a week, every week.

Invisible shrinkage is one of the biggest leaks in restaurants. Weekly counts catch over-portioning, theft, spoilage, and vendor shorts. Monthly counts are too late—by then the data is washed out and you can't isolate the cause. Cadence is what makes the numbers actionable.

► **What this looks like:** A wine bar's weekly spirits count shows a \$400 variance. Tracking by category traces it to a single bartender's pour pattern on Thursday nights. A coaching conversation instead of a termination—and a \$1,500-a-month leak closed for good.

## 08 Track 86'd items, comps, and waste—every day.

The 86 log, comp tracker, and waste sheet are tiny operational documents that reveal the most. Patterns in 86s expose ordering misses; in comps, service problems; in waste, prep discipline. Owners who review these weekly catch issues months before the P&L would.

► **What this looks like:** A pizzeria owner notices margherita pizzas on the 86 log six days in a row. Fresh mozzarella deliveries have been arriving late twice a week. One vendor change and the problem disappears—along with three months of lost sales the kitchen quietly absorbed.

## 09 Build a 13-week cash forecast—and use it.

This is the single most powerful financial tool a restaurant owner can use, and almost no one does. It is not a budget. It is a weekly view, 13 weeks forward, of cash in, cash out, and ending balance—updated every Friday. It tells you exactly which week you're going to have a problem and gives you 8 to 12 weeks of runway to fix it. Most owners only see the problem the week it arrives, when most options are gone.

**Most owners operate week-to-week. Strong owners can see 90 days ahead.**

► **What this looks like:** A seasonal coastal restaurant runs its first 13-week forecast in week 2 and sees week 10 will end at -\$14,000. The owner negotiates 60-day vendor terms in week 3 and pre-sells a private event for week 10. Week 10 closes at +\$2,000—no line of credit needed.

## 10 Calculate your average ticket every month.

Average ticket = total revenue ÷ covers. Watch the trend, not the absolute. A slipping average ticket is the earliest revenue warning you'll see—usually 60 to 90 days before total revenue declines. Catch it at month two; don't catch it at month five.

► **What this looks like:** A diner's average ticket drops from \$14.20 to \$13.40 over four months while covers stay flat. A new comp authorization rule recovers \$0.60 per ticket—about \$4,000 a month.

# What's Next?

## Accurate Books. Insightful Reporting. Numbers You Can Trust.

Strong restaurants aren't just busier — they're better managed. These ten habits create the financial visibility and discipline you need to run your business confidently and stay on top of your numbers.

But knowing what to do and having the time, systems, and expertise to do it are two different things.

That's where we come in.

At CoreBalance Advisory, we provide precise bookkeeping, thorough cleanups, and the analytical depth most bookkeepers simply don't offer — cash flow reporting, profitability analysis, budgeting, and forecasting built into everything we do. Not as add-ons. As the standard.

### Clean, Accurate Books

Maintained monthly  
and fully reconciled

### Cash Flow & Forecasting

Visibility 90 days  
ahead so you're  
never caught off guard

### Profitability Analysis

See where margins  
are strong and where  
to focus improvements

### Budgeting & Reporting

Decisions backed  
by real numbers,  
not guesswork

## Ready to run a more financially clear and efficient restaurant?

Schedule a complimentary discovery call. We'll talk through where your business is, where you want to take it, and whether CoreBalance Advisory is the right fit.

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