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# Engagement Session Part 1: Effectively Measuring LTOs

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# Engagement Session Part 1: Effectively Measuring LTOs

Menu Changes

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# How do you evaluate a menu change today?

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- Product mix changes
- Quantity sold change
- Total Food Cost change
- Total Revenue change
- What else?



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## Situation

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- A casual dining company has about 30 restaurants.
- The menu is robust, but one menu item generates about 25% of sales.
  - ✧ The rice bowl is the most popular item.
- The company is concerned that things are becoming stagnant.
- Customer traffic has been steady, but not improving.
- Sales have been okay but margins are eroding a bit.



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## Decision

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- The company has decided to reduce the price of the rice bowl.
- They are hoping for an increase in checks and guests to offset the lost revenue.
- The change was made four weeks ago across all restaurants.
- They have decided to look at the data four weeks before the change and compare it to the last four weeks.



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## Your Mission

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- You will be split into 7 teams.
  - Someone from Mirus will be with you to answer questions.
- You will be given a package of the results of the 4-week analysis.
- You have until lunch to do your work.
- Each team must decide whether the price change was good or bad.
  - Defend your answer.
  - We will ask each team for 5 observations that support their decision.
- After lunch we will ask each team for their decisions and reasons.
- Any questions?



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# The Sales Data

## Sales Summary

### Before Price Change

Daypart Name	Check Count	Guest Count	Quantity	Gross Sales	Net Sales	Check Time	Gross \$ / Check	Net \$ / Check	Gross \$ / Guest	Net \$ / Guest	Avg Time per Check (hh:mm)	Guests per Check	Quantity per Check	Quantity per Guest
Lunch	63,710	106,513	437,790	\$3,053,362	\$2,997,732	49777:56	\$47.93	\$44.21	\$28.67	\$26.45	00:46	1.7	6.9	4.1
Dinner	60,959	105,534	471,239	\$3,660,458	\$3,589,524	54614:45	\$60.05	\$55.33	\$34.69	\$31.96	00:53	1.7	7.7	4.5
<b>Total</b>	<b>124,669</b>	<b>212,047</b>	<b>909,029</b>	<b>\$6,713,820</b>	<b>\$6,587,256</b>	<b>104392:41</b>	<b>\$53.85</b>	<b>\$49.65</b>	<b>\$31.66</b>	<b>\$29.19</b>	<b>00:50</b>	<b>1.7</b>	<b>7.3</b>	<b>4.3</b>
Rice Checks	20,723		195,952		\$1,449,692			\$69.96					9.5	
All other checks	103,946		713,077		\$5,137,564			\$49.43					6.9	

### After Price Change

Daypart Name	Check Count	Guest Count	Quantity	Gross Sales	Net Sales	Check Time	Gross \$ / Check	Net \$ / Check	Gross \$ / Guest	Net \$ / Guest	Avg Time per Check (hh:mm)	Guests per Check	Quantity per Check	Quantity per Guest
Lunch	63,753	106,588	418,698	3,082,885	3,026,991	50110:51	\$48.36	\$47.48	\$28.92	\$28.40	0:47	1.7	6.6	3.9
Dinner	61,011	105,603	491,515	3,619,039	3,553,424	54979:03	\$59.32	\$58.24	\$34.27	\$33.65	0:54	1.7	8.1	4.7
<b>Total</b>	<b>124,764</b>	<b>212,191</b>	<b>910,214</b>	<b>6,701,924</b>	<b>6,580,415</b>	<b>105089:54</b>	<b>\$53.72</b>	<b>\$52.74</b>	<b>\$31.58</b>	<b>\$31.01</b>	<b>0:51</b>	<b>1.7</b>	<b>7.3</b>	<b>4.3</b>
Rice Checks	20,774		202,063		1,486,742			\$71.57					9.7	
All other checks	103,990		708,150		5,093,673			\$48.98					6.8	



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# The Labor Data

## Before Price Change

Daypart Name	Total Labor Hours	Total Payroll \$	Avg Pay / hour	Tip Amt	Tip Amt per Check	Hours for Tipped Staff	Pay \$ for Tipped Staff	Tip Amt per Tipped Hour	Tip Amt % of Tipped Pay	Tip Amt % of Net Sales	Total Payroll \$ % of Net Sales	SPLH	TPLH	GMPLH
Lunch	71,381	\$726,332	\$10.18	\$445,356	\$6.99	21,125	\$133,422	\$21.08	333.8%	14.9%	24.2%	\$42.00	0.89	\$32.49
Dinner	76,558	\$585,365	\$7.65	\$545,583	\$8.95	25,059	\$160,855	\$21.77	339.2%	15.2%	16.3%	\$46.89	0.80	\$36.28
Total	147,939	\$1,311,698	\$8.87	\$990,939	\$7.95	46,184	\$294,278	\$21.46	336.7%	15.0%	19.9%	\$44.53	0.84	\$34.45

## After Price Change

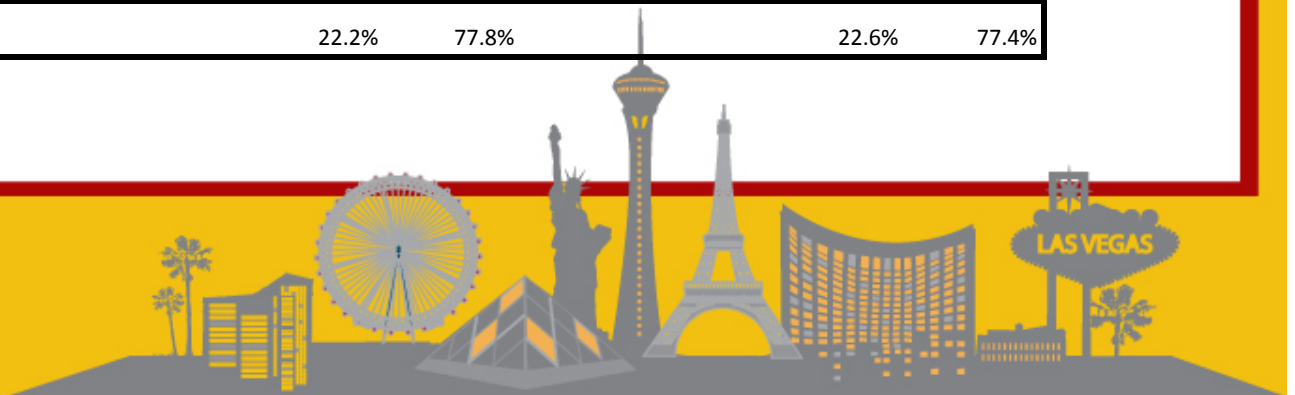
Daypart Name	Total Labor Hours	Total Payroll \$	Avg Pay / hour	Tip Amt	Tip Amt per Check	Hours for Tipped Staff	Pay \$ for Tipped Staff	Tip Amt per Tipped Hour	Tip Amt % of Tipped Pay	Tip Amt % of Net Sales	Total Payroll \$ % of Net Sales	SPLH	TPLH	GMPLH
Lunch	71,468	\$725,400	\$10.15	\$457,076	\$7.44	21,137	\$133,496	\$21.08	342.4%	15.1%	24.0%	\$42.35	0.89	\$32.99
Dinner	76,641	\$599,333	\$7.82	\$536,567	\$9.87	25,110	\$161,182	\$21.77	332.9%	15.1%	16.9%	\$46.36	0.80	\$36.11
Total	148,109	#####	\$8.94	\$993,643	\$7.96	46,247	\$294,678	\$21.46	337.2%	15.1%	20.1%	\$44.43	0.84	\$34.61



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# The Market Basket Data Before

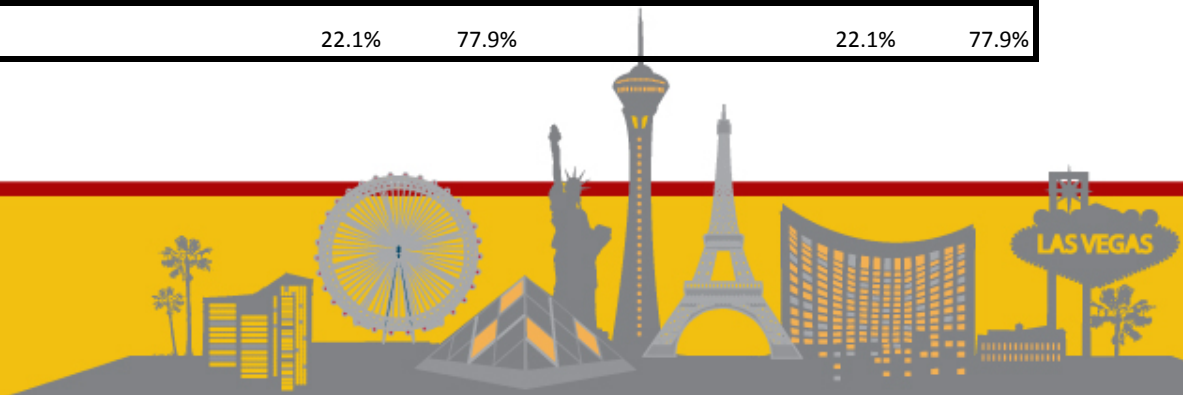
			Before the Price Change							
			Checks w/Rice Bowl				All Checks			
Master Item Name	Minor Cat Name	Major Cat Name	Net Sales for Rice Bowl	Quantity Sold on Rice Bowl	Menu Item Total Cost	Menu Item Total Margin	Net Sales for All Checks	Quantity Sold on All Checks	Menu Item Total Cost	Menu Item Total Margin
			Checks	Checks						
Charcuterie	Sharing Pla	Appetizers	\$9,069	952	\$1,830	\$7,239	\$46,981	4,950	\$9,514	\$37,467
Fondue	Sharing Pla	Appetizers	\$8,704	916	\$1,745	\$6,959	\$49,198	5,166	\$9,840	\$39,358
Sliders	Sharing Pla	Appetizers	\$10,851	909	\$2,074	\$8,777	\$56,076	4,853	\$11,075	\$45,001
Veggies	Sharing Pla	Appetizers	\$22,627	2,695	\$4,399	\$18,228	\$93,021	11,113	\$18,139	\$74,882
Edamame	Small Plate	Appetizers	\$27,548	2,837	\$5,273	\$22,275	\$132,881	13,763	\$25,580	\$107,301
Guacamole	Small Plate	Appetizers	\$26,271	2,525	\$4,978	\$21,293	\$114,565	11,040	\$21,767	\$92,798
Malbec	Glass	Wine	\$10,308	1,180	\$1,791	\$8,517	\$53,565	6,142	\$9,320	\$44,245
Pinot Griggio	Glass	Wine	\$22,706	1,563	\$3,775	\$18,931	\$118,266	8,423	\$20,342	\$97,924
Pinot Noir	Glass	Wine	\$20,101	1,974	\$3,463	\$16,638	\$112,929	10,943	\$19,198	\$93,731
<b>Total</b>			<b>\$1,449,692</b>	<b>195,952</b>	<b>\$321,929</b>	<b>\$1,127,763</b>	<b>\$6,587,257</b>	<b>909,029</b>	<b>\$1,490,379</b>	<b>\$5,096,878</b>
<b>Food Cost</b>						22.2%	77.8%		22.6%	77.4%



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# The Market Basket Data After

			After the Price Change							
			Checks w/Rice Bowl				All Checks			
Master Item Name	Minor Cat Name	Major Cat Name	Net Sales for Rice Bowl Checks	Quantity Sold on Rice Bowl Checks	Menu Item Total Cost	Menu Item Total Margin	Net Sales for All Checks	Quantity Sold on All Checks	Menu Item Total Cost	Menu Item Total Margin
Charcuterie	Sharing Pla	Appetizers	\$13,401	1,412	\$2,714	\$10,688	\$51,472	5,423	\$10,423	\$41,049
Fondue	Sharing Pla	Appetizers	\$9,748	1,026	\$1,954	\$7,794	\$48,214	5,063	\$9,643	\$38,571
Sliders	Sharing Pla	Appetizers	\$11,719	982	\$2,240	\$9,479	\$55,515	4,804	\$10,964	\$44,551
Veggies	Sharing Pla	Appetizers	\$25,795	3,072	\$5,015	\$20,780	\$91,161	10,891	\$17,776	\$73,384
Edamame	Small Plate	Appetizers	\$30,027	3,092	\$5,747	\$24,280	\$131,552	13,625	\$25,324	\$106,228
Guacamole	Small Plate	Appetizers	\$30,073	2,898	\$5,714	\$24,359	\$116,087	11,187	\$22,057	\$94,031
Malbec	Glass	Wine	\$10,205	1,168	\$1,773	\$8,432	\$54,101	6,203	\$9,414	\$44,687
Pinot Griggio	Glass	Wine	\$22,933	1,579	\$3,812	\$19,121	\$115,901	8,255	\$19,935	\$95,966
Pinot Noir	Glass	Wine	\$19,900	1,954	\$3,428	\$16,472	\$114,058	11,052	\$19,390	\$94,668
<b>Total</b>			<b>\$1,486,742</b>	<b>202,063</b>	<b>\$328,511</b>	<b>\$1,158,231</b>	<b>\$6,580,415</b>	<b>910,214</b>	<b>\$1,454,900</b>	<b>\$5,125,515</b>
<b>Food Cost</b>					<b>22.1%</b>	<b>77.9%</b>			<b>22.1%</b>	<b>77.9%</b>



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## Up Next

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12:15 Networking Luncheon Training – **Wilshire A**

1:15 Engagement Presentation Part 2 - **Wilshire A**

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