

Reading the Numbers

Today's Goal:

We will cover **how shift decisions affect sales, costs, and profit**



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Today's Focus

The five P&L lines every shift manager should know

- S Sales:** Money guests spend with us
- L Labor:** The cost of the team
- F Food Cost:** The cost of product used
- C Controllables:** Other costs the store can influence
- P Profit:** What remains after every cost is paid

QUICK DISCUSSION

Which line gets the most attention in your store?

Which line gets the least?



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Training Example

One simple P&L will carry us through the session

P&L line	Dollars	% of sales
Sales	\$100,000	100%
Food cost	\$30,000	30%
Labor	\$22,000	22%
Controllable expenses	\$10,000	10%
Fixed costs (rent, royalties, insurance)	\$23,000	23%
Profit	\$15,000	15%

\$62

of every \$100 in sales goes to food, labor, and controllables.

Shift managers influence all three.

Training model only. Your company P&L may group expenses differently.



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From the P&L to your shift

Where you see each line during the day

1 SALES

- Sales by hour
- Transaction count
- Average check

2 LABOR

- Labor % by hour
- Clock-ins and breaks
- Scheduled vs. actual hours

3 FOOD COST

- Waste sheet
- Inventory and Critical counts
- Remakes

4 CONTROLLABLES

- Discounts, voids, refunds
- Drawer counts
- Equipment issues

The P&L comes once a month. Your shifts write it every day.



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Sales

Sales come from transactions and average check

$$\begin{array}{|c|} \hline 8,000 \\ \hline \text{TRANSACTIONS} \\ \hline \end{array} \times \begin{array}{|c|} \hline \$12.50 \\ \hline \text{AVERAGE CHECK} \\ \hline \end{array} = \begin{array}{|c|} \hline \$100,000 \\ \hline \text{SALES} \\ \hline \end{array}$$

Sales = transactions × average check

Transactions show how many guests bought. Average check shows how much each guest spent.

Two levers: more guests, or more per guest.



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Sales

Your shift protects both parts of sales

1 Protect your transactions

Open on time. Keep the drive-thru moving. Recover from complaints. Don't turn guests away with outages or slow service.

2 Build your average check

Offer the right add-on. Ring every item correctly. Suggest a complete meal or a treat.

3 Read the patterns in your store

Compare sales by hour. Check transactions, average check, weather, and local events before choosing an action.

Every guest who leaves the line is a lost transaction.



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Sales Exercise

Find the real change

Last Friday: 420 transactions × \$12.00 = \$5,040 sales

This Friday: 390 transactions × \$12.50 = \$4,875 sales

1 CHANGE

What changed from last Friday?

2 HELPED

Which number helped?

3 HURT

Which number hurt?

4 CHECK

What would you look into on the shift?

PAIRS · 2 MINUTES



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Labor

Labor % compares labor dollars with sales

$$\begin{array}{|c|} \hline \$22,000 \\ \hline \text{LABOR DOLLARS} \\ \hline \end{array} \div \begin{array}{|c|} \hline \$100,000 \\ \hline \text{SALES} \\ \hline \end{array} \times \begin{array}{|c|} \hline 100 \\ \hline \text{TO GET A \%} \\ \hline \end{array} = \begin{array}{|c|} \hline 22\% \\ \hline \text{LABOR} \\ \hline \end{array}$$

$$\text{Labor \%} = \text{labor dollars} \div \text{sales} \times 100$$

Labor % rises when hours or wage dollars go up, when sales go down, or both at once.

Two moving parts: always check sales before blaming the schedule.

The schedule starts the plan. You manage the reality.

1 Match people to demand

Put people where orders are building. Move support before a station becomes the bottleneck.

2 Adjust with evidence

Use sales by hour, current pace, breaks, call-outs, and the next rush. No late reactions or random cuts.

3 Protect sales too

Keep enough strength to serve guests. Cross-train, assign side work, and cut cleanly when demand truly drops.

Managing labor isn't the same as cutting labor.



Labor Exercise

Diagnose before you act

PLAN

\$5,000 sales
\$1,000 labor

20.0%

LABOR %

ACTUAL

\$4,200 sales
\$1,000 labor

23.8%

LABOR %

IF LABOR DROPS TO \$900

\$4,200 sales
\$900 labor

21.4%

LABOR %

What happened to sales? What service risk comes with the \$100 cut? What else could help?

SMALL GROUPS · 3 MINUTES



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Food Cost

Food cost % compares product used with sales

$$\begin{array}{|c|} \hline \$30,000 \\ \hline \text{FOOD USED} \\ \hline \end{array} \div \begin{array}{|c|} \hline \$100,000 \\ \hline \text{SALES} \\ \hline \end{array} \times \begin{array}{|c|} \hline 100 \\ \hline \text{TO GET A \%} \\ \hline \end{array} = \begin{array}{|c|} \hline 30\% \\ \hline \text{FOOD COST} \\ \hline \end{array}$$

Food used = beginning inventory + purchases – ending inventory

The P&L shows the result. Portions, waste, remakes, discounts, and counts create it.

Every product used without a sale shows up here.

Food Cost

The schedule starts the plan. You manage the reality.

1 Portion correctly

Use approved scoops, weights, builds, and fill levels. Coach the standard the moment you see drift.

2 Control waste

Cook to demand. Record all waste. Fix the cause of repeated remakes instead of treating them as normal.

3 Protect product

Rotate stock, verify deliveries, count accurately, and ring discounts and employee meals correctly.

If it's not recorded, it becomes a mystery at inventory

Food Cost Exercise

Small misses add up

A shift serves 120 baskets. Each basket gets 0.5 oz more fries than the build calls for.

120

BASKETS

×

0.5 oz

EXTRA EACH

=

60 oz

PER SHIFT

=

3.75 lb

PER SHIFT

Over 30 days: **112.5 lb** with no added sales

What caused it, and how would you coach it?



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Controllable Expenses

Smaller lines, but each one has an owner

Controllable % = controllable dollars ÷ sales × 100

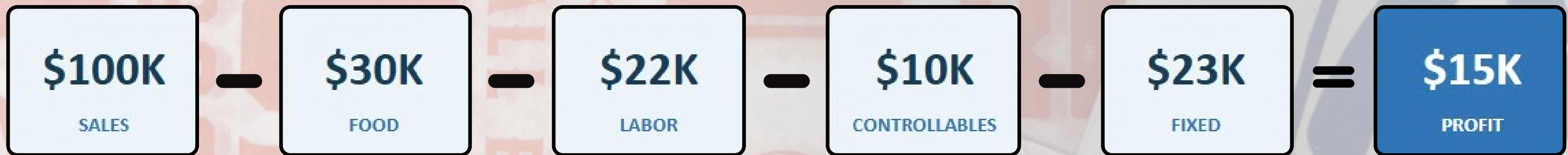
- 1. Paper and kitchen supplies:** Right packaging, reasonable use, secure storage
- 2. Uniforms:** Order on schedule, give employees the correct amount
- 3. Office Supplies:** Stay organized, control waste, have a system
- 4. Repairs and Maintenance:** Clean and operate equipment correctly; report problems early
- 5. Cash Variance:** Accurate drawer counts, deposits, and refund controls

Control means using it right, not cutting it out.



Profit

Profit is what remains after every cost is paid



Profit % = profit ÷ sales × 100 → \$15,000 ÷ \$100,000 × 100 = 15%

WATCH FOR FALSE SAVINGS

Cut a person before the rush ends

Cars leave the line. Transactions and sales drop.

Skip cleaning equipment

It breaks down mid-summer. Repairs and lost sales follow.

A saved dollar only counts if it does not cost sales, safety, or quality.



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P & L Exercise

Connect the number to the shift

Sales fell 6% · Labor finished 3% over budget · Food cost rose 2% · Refunds doubled

1 NOTICE

Which results moved?

2 COMPARE

What was the plan or the normal result?

3 EXPLAIN

What shift evidence could explain each change?

4 ACT

What will you change, who owns it, and when will you recheck?

The number points to the question.

The shift holds the answer.



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Take It Back To Your Shift

Which P&L line will you watch more closely?

1 THE NUMBER

The one line I will watch every shift.

2 THE ACTION

The shift behavior I will change or coach.

3 THE RECHECK

When I will look again to see if it worked.