

WHITE PAPER

## From Data Overwhelm to Data Mastery: **Strategies** **for Restaurant Success**



Data is everywhere and it has revolutionized the world faster than at any other time in history. Think about the transformations that have taken place over the last decade in personal transit with companies like Uber and Lyft, or the Sabermetric Revolution in Major League Baseball. Meanwhile, Amazon has taken complex distribution networks and used data to completely reimagine the way you can get anything delivered to your doorstep.

Restaurant operations have experienced the same trend. There is more data available now than at any other time in history and something that is critical to success is taking advantage and learning from the data. However, unlike Uber or Major League Baseball, restaurants do not have the luxury of hiring a team of data analysts to parse through all the source systems to turn these numbers into ACTIONABLE data.

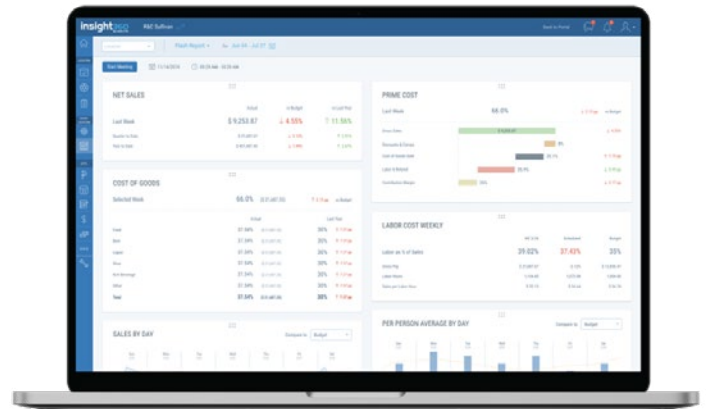
**A typical restaurant tech stack these days often looks something like this:**

- POS system
- 3<sup>rd</sup> Party Online Ordering
- Payroll Company
- Cloud Accounting Software
- Scheduling App
- Guest Satisfaction Surveys
- Cost Sources (Distribution Centers and Vendors)

That's seven different platforms, and that's not including other systems like customer loyalty and marketing platforms or drive-thru systems.

With all this data at your fingertips, you would think we could get information like the total value of prime costs quickly; however, I find that most restaurants distribute prime costs numbers somewhere between a week or two AFTER a period has closed. At that point, you're only able to act on the outdated data and hope nothing has changed in those 2 weeks. With the modern systems that

are available today, we should expect to get the data we need, when we need it. That, however, is not as easy as it seems. Logging into each system, pulling the right reports, consolidating data in excel by location, by district, by region, and only then analyzing the data is cumbersome and an inefficient process.



So how should we best manage all the data? How do we take advantage of all this data to run your operations more efficiently?

There are a few options:

**1. Do nothing.**

Sure! The restaurant business is not competitive and there is always plenty of time to get things done. This could be a good option for you.

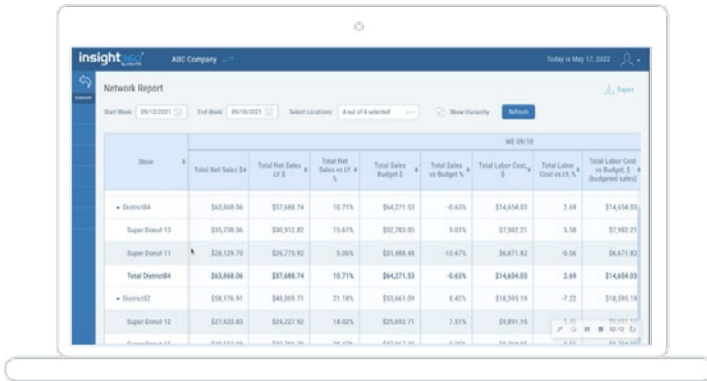
**2. Manually compile these numbers.**

A valid option, but a very time-consuming and error-prone process. There are different logins for each source system, data is formatted differently for each source system, and there are plenty of opportunities to misalign the data which can often result in many hours wasted on inaccurate reports.

**3. Hire a data team.**

This is an option for larger franchisees. They have the resources to spend on this, but it still seems that if you were going to do this, aren't there better things to do with your data team

than compiling the reports that are needed every week?



most up-to-date analytics available, you are falling behind. There are a handful of companies that have specialized in making sure that metrics like prime cost, sales per labor hour, and labor vs. speed of service are available at the click of a button.

The modern restaurant platform is easy to use, and special permissions allow the right people to view the right data that they need to do their job. Automated reports and dashboards can be created and sent out and thereby give managers the information they need.

**4. Look for a BI tool.**

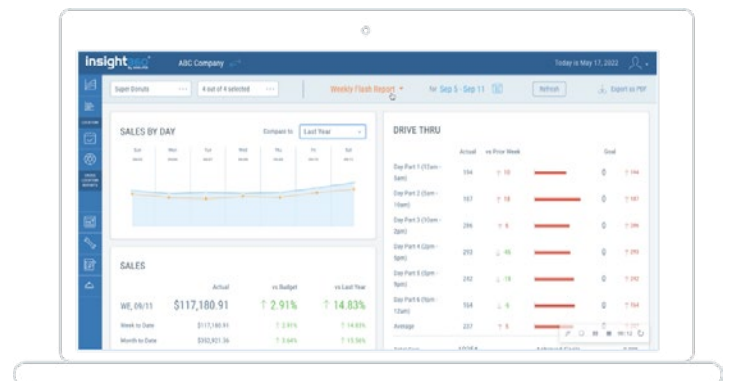
There are plenty of existing Business Intelligence tools on the market today, and plenty of companies are able to devote resources toward setting up these tools, maintaining the reports, and building out new reports as needed. The issue with this approach is that most restaurateurs do not have the time to train employees on how to use complex BI tools. Like hiring your own data team, this is often an option reserved for a large enough network that has someone on staff who can build and maintain this system.

Additionally, these tools and reports are often formatted in such a way that sharing information across teams becomes difficult. Sure, your CFO and Director of Operations can probably wade through these reports, but how do you pass this information down to Store Managers and ASMs? After all, they are the ones who have the power to DO something with this data.

**5. Bring in a restaurant-specific platform to help manage the specific systems that have been ingrained into your daily life.**

The restaurant-specific data platform segment is growing. If you do not have access to the

Running a restaurant, or many restaurants, is hard work. Change is a constant, from the number of visitors, to the order preferences, to employee management, and more. Being able to understand in near-real-time what’s going on within your operations is critical to success. Whatever process, systems, or tools you put in place, you need to make sure not to get caught up in data management, and you need to ensure the majority of time is spent managing the business, addressing problems, and strategically planning for growth.



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