

Financial Performance

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Setting up a restaurant

What are we going to need ?

- Money
- Equipment
- Labour
- Food
- Menu ideas
- Parking, transport links

Who will supply it ?

- Owners, banks, customers
 - Suppliers, landlords
 - Waiters
 - Suppliers
 - Chef
 - Local government, neighbours
- = STAKEHOLDERS



Stakeholders and Financial Performance

View of the traditionalist:

“The business of business is business”

Milton Friedman



Stakeholders and Financial Performance

Internal

- Employees
- Managers
- Directors

Connected

- Owners
- Banks
- Suppliers
- Customers

External

- Government
- Media
- Pressure groups
- Local communities
- Competitors

Mission, Critical Success Factors, Key Performance Indicators





Mission Statement

MISSION

To be the most popular, high quality vegetarian restaurant in Manchester, delighting our customers and delivering sustainable profit growth for our investors.



Mission, Objectives

CSFs

- To attract diners
- To produce top quality meals
- To make diners happy
- To be profitable
- To generate maximum returns for investors
- To maintain a motivated workforce

KPIs (SMART)

- To increase footfall by 10% each year
- To obtain a Michelin star within our first 3 years
- To obtain a minimum 4.5 star rating on Trip Advisor after one year
- To achieve minimum net profit margins of 15% and £150,000 by year 3
- To pay a dividend of at least £100,000 by year 3.
- To keep average staff turnover under 12 month



Stakeholder conflict

Stakeholder

- Investors
- Employees
- Suppliers
- Customers
- Bank

Wants To

- Put prices up and keep costs low
- Get paid maximum amount for minimum effort
- Supply as much as possible at high prices
- Get as much as they can for as little as possible
- Minimise risks, get paid on time



Perspectives of performance

1. Financial

CSFs

- Strong revenue growth
- Generate strong profitability
- Maintain strong cash flows

KPIs

- 10% increase each year
- Hit 15% NP margin in year 1
- Reduce receivables days to 10 by 31 Dec.



Perspectives of performance

1. Customer

CSFs

- Tasty meals
- Great service
- Minimal waiting time

KPIs

- Minimum score 4.5/5 in feedback
- % of repeat custom each month
- Average time between order and payment



Perspectives of performance

1. Internal

CSFs

- Motivated staff
- Minimal food waste
- Reliable equipment

KPIs

- Staff absenteeism %; staff turnover %
- Kg of discarded food per day - % of inputs
- Breakdown hours per month



Perspectives of performance

1. Innovation & Learning

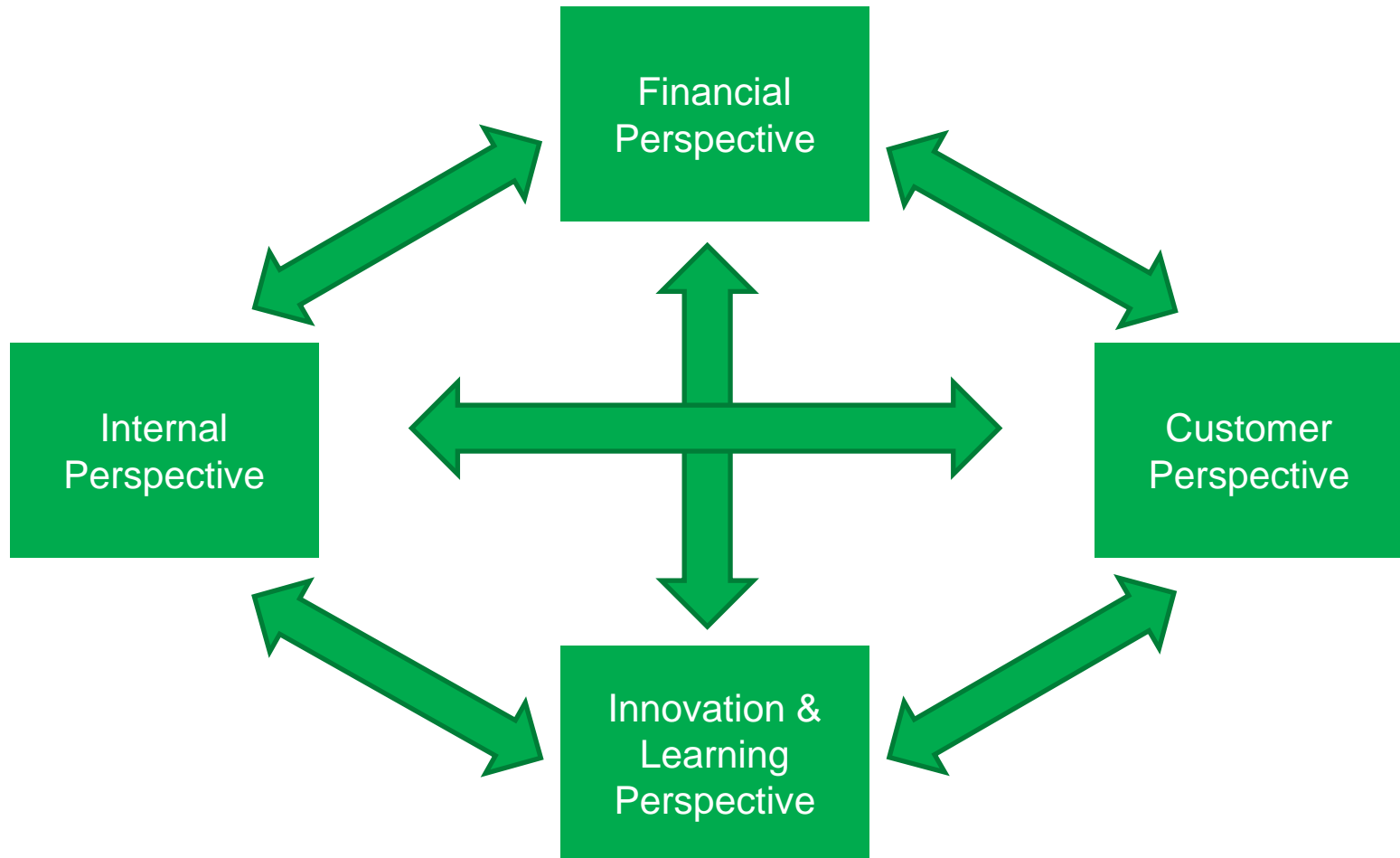
CSFs

- Innovative menus
- Waiter knowledge of food/wine
- Fresh design & decor

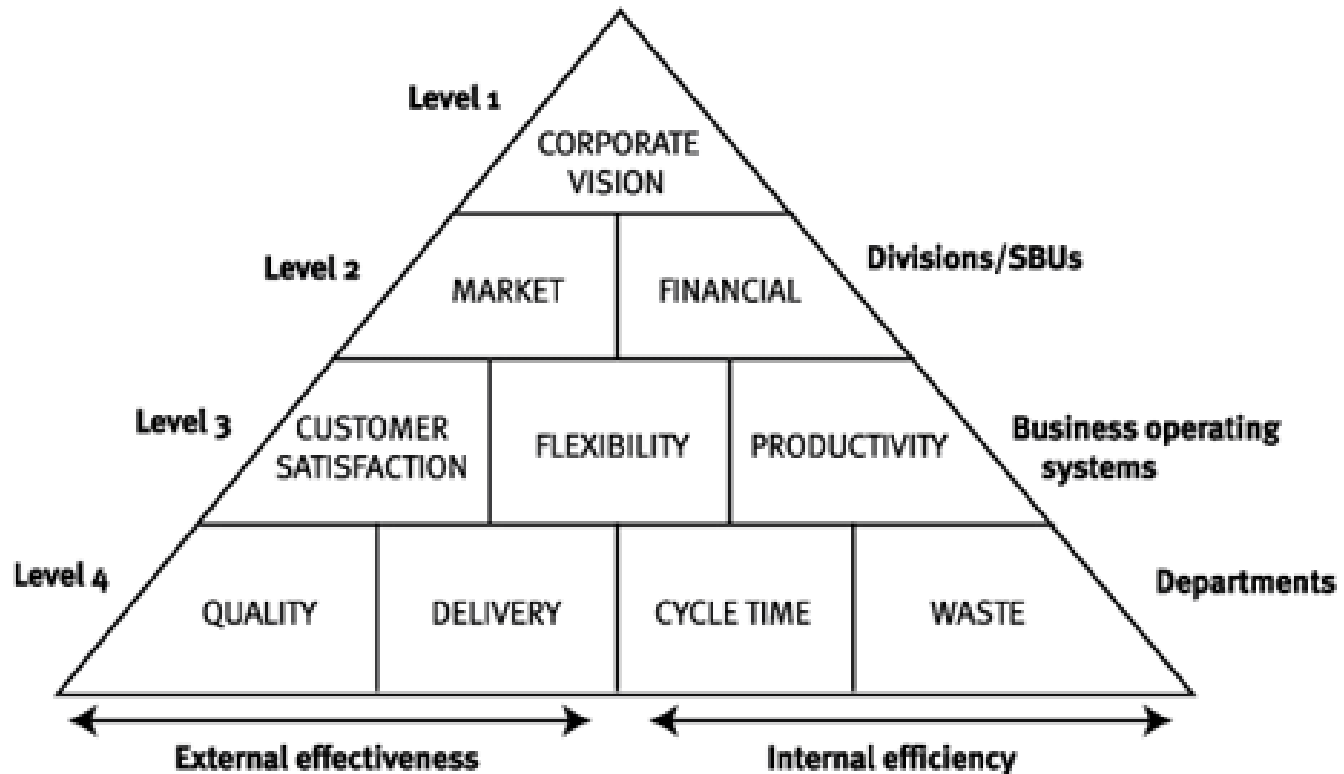
KPIs

- No. of new meals introduced / month
- No. of hours spent on training
- Minimum NBV of assets as % of Cost

Balanced Scorecard



Performance Pyramids





Questions



Thank you for listening



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