The Restaurant KPI Handbook

The twenty numbers that actually change decisions - and how each one gets measured wrong

What this is: a working reference to the metrics that run a restaurant. For every metric you get a definition, the exact formula, a typical range, a review cadence, what to do when it moves the wrong way, and the specific way it is usually measured wrong. It ends with a weekly operating rhythm, a printable dashboard one-pager, and a method for setting targets from your own baseline rather than copying someone else's benchmarks. **Who it is for:** owners, general managers and chefs who want to stop reading last month's news and start managing this week's business.

Free operator resource · Version 1.0 · Updated August 2026

Ranges given are typical operating ranges, not guarantees or industry research findings. Your correct target depends on your concept, price point and market - build it from your own baseline.

How to use this handbook

There are only about twenty numbers that will ever change a decision in a restaurant. This handbook covers them. For each one you get a definition, the exact formula, a typical range, how often to look at it, what to do when it moves against you, and - the part most guides omit - the specific way that metric is usually measured wrong.

Three principles run through everything below.

1. **A number you look at monthly is a history lesson. A number you look at weekly is a management tool.** The restaurants that control cost are not smarter; they simply look sooner. By the time a monthly statement arrives, four weeks of a problem have already been paid for.
2. **Trend beats benchmark.** Industry ranges are useful for sanity-checking, but your concept, price point, market and lease make your correct number different from the average. Your own trailing thirteen weeks is a better target than anyone's published benchmark.
3. **Every metric has a denominator, and the denominator is where the lying happens.** Net sales or gross sales? Including or excluding tax, tips, marketplace commission, gift card sales, comps? Define it once, write it down, and never change it silently.

> **DEFINE NET SALES ONCE, IN WRITING**
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> Almost every percentage in this handbook is divided by sales. Before you measure anything, write down your definition and give it to whoever pulls the numbers. A workable standard: **net sales = gross sales, excluding sales tax, excluding tips and service charges paid out to staff, excluding gift card sales at the point of issue (they are a liability until redeemed), after deducting comps, discounts and refunds.** Decide explicitly whether third-party delivery is counted at the gross menu value or net of commission - and if you count it gross, know that every cost percentage you calculate will look artificially good.

The master metric

Prime cost

Prime cost is the master metric because it is the part of the profit and loss you can still influence today. Rent is fixed for a decade. Insurance is annual. Prime cost changes with every schedule you write, every order you place and every portion you serve. It is also the number lenders, brokers and buyers look at first.

Definition	Total cost of goods sold (food plus beverage plus, if you track it, paper and packaging) plus total labour cost including management salaries, payroll taxes, benefits and workers' compensation - expressed as a percentage of net sales.
Formula	Prime cost % = (Cost of goods sold + Total labour cost) / Net sales x 100
Typical range	Full-service independents commonly target somewhere around 60-65 percent. Quick-service and counter-service concepts often sit a little lower on labour and higher on packaging. Above the high 60s, rent, utilities and debt service will leave nothing behind.
Review cadence	Weekly. This is the single most important number in the business and monthly is too late.
If it moves the wrong way	Split it before you act. Food, beverage and labour move for completely different reasons and pulling all three levers at once means you will never know which one worked. Fix the larger deviation first, hold the other steady for two weeks, then measure again.
Commonly measured wrong	Leaving management salaries, payroll taxes and benefits out of the labour half. Wages alone can understate true labour cost by a meaningful margin, and it is always the same direction: too flattering.

Two practical notes. First, prime cost is only meaningful against a real inventory count - without one you are estimating cost of goods from purchases, which is fine for a rough weekly read but wrong at period end. Second, a weekly prime cost that swings wildly usually means your inventory count day is drifting or your invoice cut-off is inconsistent, not that your costs are volatile. Count on the same day, at the same time, every week.

COMMON MEASUREMENT MISTAKE

Calculating prime cost from purchases instead of usage. Purchases in a week where you bought a pallet of dry goods will show a terrible food cost; the following week will look wonderful. Neither is true. Usage = opening inventory + purchases - closing inventory. If you will not count weekly, at least count the ten highest-value items weekly and everything monthly.

Cost of goods metrics

Food cost percentage - actual

Definition	The cost of food actually used in a period, as a percentage of food sales in that period.
Formula	Actual food cost % = (Opening food inventory + Purchases - Closing food inventory) / Food sales x 100
Typical range	Commonly 28-35 percent for full service. Pizza and pasta concepts often run lower; steak and seafood concepts routinely run higher and make it up on contribution in currency. The percentage alone is not a verdict.
Review cadence	Weekly if you count weekly; monthly at minimum.
If it moves the wrong way	Work the causes in this order, because this is the order of likelihood: portion control, waste and spoilage, over-ordering, receiving errors and short deliveries, price increases that were never re-costed, menu mix shifting toward low-margin items, then theft. Most operators check the last one first and the first one never.
Commonly measured wrong	Dividing food cost by **total** sales rather than food sales. If you sell alcohol, this understates food cost - sometimes dramatically. Keep food cost over food sales and beverage cost over beverage sales.

Theoretical food cost and the variance gap

The variance gap is the most useful diagnostic in the business. Actual food cost tells you there is a problem. The gap between theoretical and actual tells you the problem is execution - portioning, waste, receiving or theft - rather than pricing or menu mix.

Definition	Theoretical food cost is what your food should have cost, calculated from recipe cards multiplied by items actually sold. The variance gap is the difference between theoretical and actual.
Formula	Theoretical cost = sum over all items of (recipe cost x units sold). Variance = Actual food cost - Theoretical food cost, in currency and as percentage points of sales.
Typical range	A well-run kitchen commonly holds the gap within roughly 1-2 percentage points of sales. A gap above 3 points is a control problem, not a rounding issue.
Review cadence	Weekly once your recipe cards and counts are reliable. Do not attempt this until both are.
If it moves the wrong way	Attack the gap item by item, not in aggregate. Pick your five highest-volume dishes, weigh ten portions of each straight off the line, and compare the average to the recipe card. Portion drift on high-volume items explains most gaps.
Commonly measured wrong	Recipe cards that were costed once at opening and never updated, and cards that ignore yield loss. If your card says 200 grams of trimmed beef but you buy it untrimmed, your theoretical cost is fiction and every variance calculation built on it is meaningless.

Beverage cost percentage

Definition	The cost of beverage used as a percentage of beverage sales - tracked separately for liquor, beer and wine, because they behave nothing alike.
Formula	Category cost % = (Opening + Purchases - Closing) for that category / Sales for that category x 100
Typical range	Commonly cited targets: liquor around 18-24 percent; draught beer often lower than bottled, with beer overall around 20-28 percent; wine typically the highest at roughly 28-40 percent depending on how aggressively you price by the glass. Non-alcoholic beverages are usually far lower and are worth separating.
Review cadence	Weekly for liquor, at least monthly for beer and wine.
If it moves the wrong way	For liquor, the answer is nearly always pour accuracy: free pouring, over-pouring, unrecorded staff drinks, and comps rung as something else. Weigh bottles or use measured pourers and re-test. For wine by the glass, check that your pour size matches the number of glasses per bottle your pricing assumed - a 6-ounce pour from a 750 millilitre bottle gives four glasses, not five.
Commonly measured wrong	Blending all alcohol into one number. A shifting mix from liquor toward wine will raise your blended beverage cost with no operational failure at all, and you will spend a month hunting a problem that does not exist.

Waste percentage

Definition	The value of food discarded - spoilage, over-production, remakes, trim beyond recipe allowance, and staff error - as a percentage of food purchases or food sales.
Formula	Waste % = Logged waste at cost / Food purchases at cost x 100
Typical range	Most operators who log honestly find somewhere in the 2-5 percent range against purchases. The useful benchmark is not the level; it is whether the number is falling.
Review cadence	Daily logging, weekly review.
If it moves the wrong way	Read the log by reason, not by total. Spoilage means par levels or ordering are wrong. Over-production means prep quantities or forecasting are wrong. Remakes mean training or ticket accuracy are wrong. Each has a different fix.
Commonly measured wrong	Not logging it at all, which is the norm. The second most common error is logging waste by item count rather than by cost, which makes twelve discarded lemons look worse than one discarded rack of lamb.

OPERATOR TIP

Put a waste sheet and a pen on the wall next to the bin, and a second one at the pass for remakes. Ask for the reason in three words, not a form. A waste log that takes ten seconds gets filled in; one that takes two minutes does not, and an empty log is worse than none because it tells you waste is zero.

Inventory variance and shrinkage

Definition	The difference between the inventory you should have on hand (opening plus purchases minus theoretical usage) and what you actually count.
Formula	Variance by item = (Opening + Received - Theoretical usage) - Physical count. Value it at cost and rank by currency value, not by unit count.
Typical range	High-value items should reconcile closely. A persistent variance on one specific item is far more informative than a small variance spread across everything.
Review cadence	Weekly on your top ten to twenty items by value; full count monthly.
If it moves the wrong way	Rank variances by currency value and investigate the top three only. Check receiving first - short deliveries signed for without counting are the single most common cause and the easiest to fix. Then check transfers between bar and kitchen, then portioning, then access control.
Commonly measured wrong	Counting inconsistently: different people, different units, different times of day, counting mid-shift, or counting the walk-in before the delivery arrives one week and after it the next. Inconsistent counting generates variance that has nothing to do with your operation.

Labour metrics

Labour cost percentage

Definition	Total labour cost - hourly wages, salaries, payroll taxes, benefits, workers' compensation and any statutory accruals - as a percentage of net sales.
Formula	Labour cost % = Total labour cost / Net sales x 100
Typical range	Full-service independents commonly run around 30-35 percent all-in. Counter-service and quick-service concepts typically run lower. Fine dining runs higher and accepts it.
Review cadence	Daily for the shape of the schedule, weekly for the number.
If it moves the wrong way	Change the shape of the schedule before you change the headcount. Most labour waste is people scheduled in the wrong hours rather than too many people. Pull sales by hour for the last four weeks of the same weekday, overlay your schedule, and cut the hours where sales do not exist.
Commonly measured wrong	Reporting wages only. Employer payroll taxes, statutory holiday pay, vacation accrual and benefits add a real percentage on top, and it is a different percentage for salaried and hourly staff. A labour percentage that excludes them is not comparable to any published benchmark.

Sales per labour hour

Sales per labour hour beats labour percentage for scheduling decisions, and the reason is simple: labour percentage moves when sales move, so a good night makes bad staffing look fine and a slow night makes good staffing look wasteful. Sales per labour hour isolates productivity. Use labour percentage to judge the business and sales per labour hour to write the schedule.

Definition	Net sales generated per hour of labour worked. The scheduling metric.
Formula	Sales per labour hour = Net sales in the period / Total labour hours worked in the period
Typical range	Varies enormously with price point and service model - a counter-service cafe and a steakhouse cannot be compared. Many full-service operators track somewhere in the range of roughly $45 to $90 per labour hour. Your own trailing average is the only target worth setting.
Review cadence	Daily, by day-part.
If it moves the wrong way	Look at the specific hour blocks that dragged the average down and ask whether those hours needed the people or the people needed the hours. Then adjust next week's schedule for that day-part specifically.
Commonly measured wrong	Using it as a headline number instead of a day-part number. A restaurant can have an excellent daily sales per labour hour and still be badly overstaffed from 2 pm to 4 pm every single day.

Staff turnover rate and cost per hire

Definition	The proportion of your team who leave over a period, and what it costs you to replace each one.
Formula	Turnover % = Separations in the period / Average headcount in the period x 100. Cost per hire = (Advertising + recruiter fees + interview hours at loaded cost + paid training hours + trainer hours + productivity loss during ramp-up + uniform and onboarding costs) / Hires in the period
Typical range	Hospitality turnover is structurally high; a raw percentage tells you little. Track it by role, by tenure band and by manager, and track your own trend.
Review cadence	Monthly by role; quarterly by manager.
If it moves the wrong way	Segment before you act. Turnover in the first 30 days is a hiring and onboarding problem. Turnover at 3-6 months is usually a scheduling, wage or management problem. Turnover concentrated under one manager is a management problem, and that is worth knowing before you conclude the labour market is difficult.
Commonly measured wrong	Counting only voluntary departures, and calculating a single restaurant-wide number. Also, almost nobody costs the productivity loss during ramp-up, which is usually the largest component of cost per hire by a wide margin.

Sales and guest metrics

Average cheque and per-person average

Definition	Average cheque is net sales divided by the number of cheques. Per-person average divides by the number of guests. They answer different questions.
Formula	Average cheque = Net sales / Number of cheques. Per-person average = Net sales / Number of covers.
Typical range	Set from your own baseline by day-part. Lunch, dinner, bar and take-out are different businesses and should be tracked separately.
Review cadence	Weekly, by day-part and by revenue centre.
If it moves the wrong way	Decide whether the cause is traffic, mix or price. If per-person average fell but covers held, guests are ordering differently - check appetiser, dessert and beverage attachment rates. If it rose because covers fell, do not celebrate.
Commonly measured wrong	Mixing day-parts and channels into one average. Adding take-out and delivery cheques into a dining-room average makes the number drift for reasons that have nothing to do with the dining room. Also: dividing by cheques when a large party split six ways counts as six cheques, which is why per-person average is usually the more honest number.

Covers and table turn time

Definition	Covers is the number of guests served. Turn time is how long a table is occupied by one party, from seating to the table being ready for the next party.
Formula	Turn time = Time table is re-seatable - Time party was seated. Turns per table = Covers at that table in the service / Seats at that table.
Typical range	Full-service dinner turns commonly run 45-90 minutes depending on menu and price point; lunch is usually faster. What matters is the distribution, not the mean.
Review cadence	Weekly by day-part; daily during a fix.
If it moves the wrong way	Break the turn into its parts - seat to order, order to appetiser, appetiser to main, main to cheque presented, cheque presented to cleared, cleared to re-seatable. One of those segments is almost always the whole problem, and it is very often the last two: the guest waiting for the bill, and the table not being reset.
Commonly measured wrong	Measuring the average and ignoring the tail. If your average turn is 70 minutes but a quarter of tables run past 100 minutes, you are losing a turn every Friday and the average will never show it. Track the 75th and 90th percentile alongside the mean.

Ticket time and speed of service by day-part

Definition	The elapsed time from an order being sent to the kitchen to the food being ready at the pass - measured by dish, by station and by day-part.
Formula	Ticket time = Time bumped at pass - Time order fired. Report the median, the 75th percentile and the worst ticket, by day-part.
Typical range	Full service commonly targets roughly 8-12 minutes for appetisers and 15-20 minutes for mains, adjusted for the cooking method. Counter service typically targets a few minutes. Set your own targets by dish and publish them.
Review cadence	Daily. This is a kitchen management tool, not a monthly report.
If it moves the wrong way	Find the two dishes that hold the pass and fix those specifically - change the prep, the technique, the station assignment or the menu. Fixing the slowest two dishes usually moves the whole distribution more than any general instruction to the kitchen to speed up.
Commonly measured wrong	Tracking only the average, and tracking only the whole ticket rather than by dish. Also, if your kitchen bumps tickets in batches at a quiet moment, your data is worthless - bump discipline has to be trained before ticket time means anything.

Menu mix and contribution margin

Menu mix is the highest-leverage lever most operators never pull. You do not need more guests to make more money; you need the guests you already have to order differently.

Definition	Menu mix is the share of units sold that each item represents. Contribution margin is what each item contributes in currency after its own food cost.
Formula	Item contribution margin = Selling price - Plate cost. Menu mix % = Units of that item sold / Total units sold in that category x 100. Total contribution = Contribution margin x Units sold.
Typical range	Classify every item against two axes: popularity above or below the category average, and contribution margin above or below the category average. That gives four groups, and each group has a different action.
Review cadence	Monthly, and always before you change the menu.
If it moves the wrong way	High popularity and high margin: protect these, never change them, feature them. High popularity and low margin: re-engineer the plate cost or raise the price carefully. Low popularity and high margin: move them on the menu, retrain servers to describe them, or rename them. Low popularity and low margin: remove them, unless they anchor the concept.
Commonly measured wrong	Ranking by food cost percentage instead of contribution in currency. An item at 22 percent cost contributing $7 loses to an item at 34 percent contributing $19 every single time, and menus optimised on percentage quietly reduce profit.

COMMON MEASUREMENT MISTAKE

Comparing menu mix across a period in which the menu changed, or in which an item was unavailable for a week. An eighty-sixed item shows as unpopular and gets cut, when in fact it was simply not on offer. Before you act on a mix report, check your availability log for the same period.

Control and loss metrics

Void and comp rate

This pair is simultaneously a training signal, a menu-build signal and a fraud signal - which is exactly why it should be read every day and never with an accusation ready.

Definition	Voids are items removed before the cheque is settled. Comps are items given away on a settled cheque. They are different events and should never be merged.
Formula	Void rate % = Value of voids / Gross sales x 100. Comp rate % = Value of comps / Gross sales x 100. Report both by employee, by reason code, and by hour.
Typical range	Many operators aim to keep each below roughly 1-2 percent of sales. The level matters less than the distribution: a rate that is normal overall but concentrated in one employee or one reason is the signal.
Review cadence	Daily by employee and reason; weekly as a trend.
If it moves the wrong way	Read the reason codes first. Ring errors mean training or menu-button layout. Kitchen errors mean the ticket or the line. Guest complaints mean food or service quality. If a large share of voids have no reason recorded, that is the finding - fix the process before you investigate anyone.
Commonly measured wrong	Merging voids and comps into one number, and reporting them only in aggregate. The single most useful view is voids per employee normalised by that employee's sales, sorted descending. It takes one minute a day and it is the most effective loss-prevention routine available to an independent restaurant.

Discount rate

Definition	The value of discounts applied - promotions, staff meals, loyalty redemptions, manager discretion - as a percentage of gross sales.
Formula	Discount rate % = Total discounts / Gross sales x 100, broken out by discount type and by who applied it.
Typical range	Many operators keep total discounting under roughly 5 percent of sales outside of deliberate promotional periods. What matters is whether each discount type is producing a return.
Review cadence	Weekly, by type; monthly as a return-on-promotion review.
If it moves the wrong way	Separate intentional discounts from discretionary ones. Intentional discounts (a promotion, a loyalty offer) should be measured on incremental sales and retained guests. Discretionary discounts should be measured on frequency by employee. If one manager applies four times the discretionary discounts of another, that is a conversation, not a report.
Commonly measured wrong	Recording discounts as price changes rather than as discounts. If a manager rings a $28 item at $20, the discount is invisible, the product mix is wrong and the theoretical food cost for that item is wrong too. Configure the system so discounting is a discount, and restrict price overrides.

Cash over and short

Definition	The difference between the cash the system says you should have and the cash you actually counted.
Formula	Over/short = Actual cash counted - (Expected cash sales - paid-outs + float). Track per drawer, per shift, per employee.
Typical range	Most operators expect variances within a small tolerance - commonly a few dollars per drawer, or roughly 0.1-0.3 percent of cash sales. Consistent small shortages in one direction are more concerning than occasional larger ones in both.
Review cadence	Every shift close, without exception.
If it moves the wrong way	Look at pattern, not size. Random variance in both directions is usually counting error or change-making. Consistent shortage on one person or one shift is a procedure or a control issue. Start with drawer assignment: one person, one drawer, one shift, blind close.
Commonly measured wrong	Open close - letting the person counting see the expected total before they count. Blind close is the entire control. Also: not recording paid-outs, which creates variances that look like losses and are actually undocumented petty cash.

Channel, payment and guest metrics

Guest repeat rate and frequency

Definition	The share of guests who return within a defined window, and how often they come back.
Formula	Repeat rate % = Guests with 2 or more visits in the window / Total identifiable guests in the window x 100. Frequency = Total visits by repeat guests / Number of repeat guests.
Typical range	Entirely concept-specific. A neighbourhood cafe and a destination restaurant have completely different correct answers. Track your own trend and segment by acquisition source.
Review cadence	Monthly.
If it moves the wrong way	Repeat rate falls for a small number of reasons: the experience changed, a competitor opened, or you acquired a batch of discount-motivated guests who were never going to return. Check which cohort stopped returning before you assume a quality problem.
Commonly measured wrong	Measuring it only across identifiable guests - loyalty members, online orderers, reservation holders - and then reporting it as if it described all guests. It describes the identifiable segment only, and that segment is systematically more loyal than average. State the coverage percentage every time you report it.

Online ordering channel mix and direct-versus-marketplace margin

This is the metric most likely to be quietly destroying profit in a restaurant that looks like it is growing.

Definition	The share of off-premise sales coming through your own channels versus third-party marketplaces, and what you actually keep from each.
Formula	Channel mix % = Sales via that channel / Total off-premise sales x 100. Retained margin per channel = Order value - food cost - packaging - commission or platform fee - payment processing - incremental labour.
Typical range	Marketplace commissions vary widely by market and by service level, and are commonly the largest single deduction on a delivery order. Direct online ordering typically costs you only payment processing plus a platform fee.
Review cadence	Weekly for mix; monthly for retained margin per channel.
If it moves the wrong way	If marketplace share is growing and total profit is not, you are renting your own guests. Work the shift deliberately: put your direct ordering link on every receipt, every bag, every social profile and your Google listing; make the direct experience faster; and give a reason to order direct that does not require discounting the food.
Commonly measured wrong	Booking marketplace sales at gross menu value in your sales line while the commission sits somewhere in operating expenses. Every cost percentage you calculate is then flattered by revenue you never received. Either book it net, or report a separate set of percentages that excludes marketplace entirely.

Delivery accuracy and refund rate

Definition	The share of delivery and pickup orders that generate a complaint, a refund or an adjustment.
Formula	Refund rate % = Orders refunded or adjusted / Total off-premise orders x 100. Track by cause: missing item, wrong item, cold food, late, poor packaging, spilled.
Typical range	Aim as low as you can hold it. The absolute number matters less than the cause breakdown and the trend, because platform rating algorithms respond to this directly.
Review cadence	Weekly, by cause.
If it moves the wrong way	Missing items are the most common cause and the most fixable: a printed checklist stapled to every bag, checked and initialled at the pass, typically removes most of them. Cold food is a packaging and hold-time problem. Late is a quote-time problem - lengthen your quoted times before you lengthen your excuses.
Commonly measured wrong	Only counting refunds the platform charged back to you. Orders where the marketplace absorbed the refund still damaged the guest relationship and still count against your storefront rating. Pull complaints, not just chargebacks.

Payment mix and processing cost

Definition	The share of sales taken by each payment method, and what card acceptance actually costs you as a percentage of card sales.
Formula	Processing cost % = Total processing fees for the period / Total card sales for the period x 100. Include every fee: interchange, assessments, processor markup, monthly minimums, statement fees, compliance fees, batch fees, chargeback fees.
Typical range	A blended all-in cost somewhere in the low single digits is typical, but the figure moves with your card mix - premium rewards cards cost more to accept than debit, and card-not-present transactions cost more than card-present.
Review cadence	Monthly from the statement; annually as a renegotiation.
If it moves the wrong way	Calculate the true effective rate first, then act. If it has drifted upward, the cause is usually a change in card mix or in channel mix (more online, more card-not-present) rather than a change in your agreement. Check the mix before you assume you are being overcharged - then take the real number to your provider.
Commonly measured wrong	Comparing the quoted rate instead of the effective rate. The only honest comparison is total fees divided by total card sales, over a full month, including every fixed fee. A provider offering a lower headline rate and a longer fee schedule can easily be more expensive.

Review volume and rating trend

Definition	How many reviews you receive, on which platforms, and how the rolling average rating is moving.
Formula	Rolling rating = Average rating over the trailing 90 days, by platform. Review velocity = Reviews received per month. Response rate = Reviews responded to / Reviews received x 100.
Typical range	Volume and velocity matter as much as the score - a 4.6 with four reviews this year is weaker than a 4.4 with sixty. Aim for a response rate at or near 100 percent within 24 hours.
Review cadence	Daily for new reviews; monthly for the trend.
If it moves the wrong way	Read for repeated words, not for individual reviews. If the same noun appears in three reviews in a month - wait, parking, noise, portion, price - that noun is your actual problem regardless of what you believe it is. Respond to every review in your own voice, briefly, and never argue in public.
Commonly measured wrong	Watching the lifetime average, which barely moves and hides everything. Watch the trailing 90-day average. Also: chasing volume through incentives, which most platforms prohibit and which produces a rating you cannot trust or act on.

The weekly operating rhythm

Metrics only change behaviour if they are looked at on a schedule that someone protects. Below is a workable rhythm for an independent restaurant. Adjust the times, keep the cadence, and put the weekly block in the calendar as a recurring appointment that does not get moved.

Cadence	What you look at	Time needed	Decision it drives
Daily, before service	Yesterday's net sales against forecast; labour hours against sales; voids and comps by employee and reason; cash over/short; any new reviews; today's reservations and forecast.	10-15 min	Today's schedule adjustment, today's pre-shift focus, and any employee conversation that needs to happen today.
Daily, after close	Ticket times by day-part; eighty-sixes; waste log; the day's reconciliation of POS to payments to cash.	10 min	Tomorrow's prep list, tomorrow's par levels, and one specific fix for the kitchen.
Weekly (same 90 minutes, every week)	Prime cost. Food and beverage cost against theoretical, with the variance gap. Labour percentage and sales per labour hour by day-part. Covers, average cheque and per-person average. Voids, comps and discounts as a trend. Channel mix. Review trend.	90 min	Next week's schedule, next week's orders and par levels, and the single operational focus for the week.
Weekly, with the chef	Item-level variance on the top ten dishes; waste by reason; supplier price changes; eighty-six frequency.	30 min	Portion retraining, recipe re-costing, and any menu item that needs to be repriced or pulled.
Monthly	Full inventory count. Complete profit and loss with prime cost. Menu mix and contribution margin analysis. Turnover by role. Processing cost from the statement. Repeat-guest rate. Marketplace versus direct retained margin.	3-4 hours	Menu changes, price changes, staffing structure, and any supplier or platform renegotiation.
Quarterly	Recost every recipe against current invoice prices. Full menu engineering review. Wage banding against the local market. Insurance and lease obligations. Payment processing effective rate. Technology and subscription audit.	1 day	Menu redesign, price architecture, wage adjustments, and vendor renegotiation or replacement.
Annually	Year-over-year by month and by day-part. Lease and renewal position. Capital plan for equipment nearing end of life. Full contract inventory with notice dates diarised.	2-3 days	Budget, capital expenditure, contract renewals, and whether the concept still matches the market.

KPI dashboard one-pager

Print this page. Fill it in every Monday for the week just ended. Keep thirteen of them in a folder and you have a trailing quarter that is more useful than any software dashboard, because you will have looked at every number by hand.

Metric	Target	Wk -3	Wk -2	Wk -1	This wk	Action
Net sales						
Covers						
Per-person average						
Food cost % (actual)						
Food cost % (theoretical)						
Variance gap (points)						
Liquor cost %						
Beer cost %						
Wine cost %						
Total labour cost %						
Sales per labour hour						
PRIME COST %						
Void rate %						
Comp rate %						
Discount rate %						
Cash over/short						
Waste at cost						
Median ticket time - mains						
Turn time (75th percentile)						
Off-premise % of sales						
Direct vs marketplace split						
Delivery refund rate %						
New reviews / avg rating						
Open roles / separations						

Setting targets from your own baseline

Published industry ranges are useful for one thing: telling you whether you are wildly off. They are almost useless as targets, because they average across concepts, price points, markets, lease structures and service models that have nothing to do with each other. A steakhouse running 38 percent food cost may be far more profitable than a cafe running 26 percent.

How to build your own targets

1. **Collect thirteen weeks of clean data.** Not perfect data - clean data, measured the same way every week. Thirteen weeks covers a quarter and smooths most weekly noise.
2. **Take the median, not the mean.** One catering week or one closed week will distort an average and will not distort a median.
3. **Set the target as a modest improvement on the median, not on your best week.** Your best week was probably a favourable mix rather than better execution. A reasonable first target is roughly half a percentage point of improvement per quarter on cost metrics.
4. **Set a control range, not a single number.** Define an upper and lower bound and only investigate when a metric breaks the range. A number that moves within its normal range is not news, and chasing normal variation is how managers lose credibility with their teams.
5. **Attach an owner and an action to every target.** A target with no named owner is a wish. Write it as: metric, target range, who owns it, what they will do if it breaks the range.
6. **Re-baseline quarterly.** Prices, menu, wages and mix all change. A target set eighteen months ago is measuring a restaurant that no longer exists.

> **COMMON MEASUREMENT MISTAKE**
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> Comparing this year to last year without adjusting for what changed. Menu price increases, a new day-part, a delivery channel that did not exist last year, a week you were closed for maintenance, or a shift in the mix between dine-in and off-premise will all move a year-over-year comparison for reasons that have nothing to do with performance. Before you conclude anything from a year-over-year number, list what changed - and if you took a price increase, separate the volume effect from the price effect before you celebrate.

A minimum viable measurement system

If you are starting from nothing, do these five things in this order. Each one works without the ones after it.

1. **Define net sales in writing** and use that definition everywhere.
2. **Count inventory weekly on the same day** and calculate food, beverage and labour as a percentage of the right denominator. That gives you prime cost.
3. **Turn on mandatory reason codes** for voids, comps and discounts, and read the by-employee report every day.
4. **Build recipe cards for your twenty highest-volume items** and calculate theoretical cost for those items only. That gets you most of the variance gap for a fraction of the work.
5. **Print the dashboard one-pager and fill it in every Monday.** Thirteen weeks of hand-written numbers will teach you more about your restaurant than any report you have ever been sent.

Last thing

None of these metrics improve because you measured them. They improve because measuring them changed what you did on Tuesday. Pick one number this week, put a name against it, decide the one action you will take if it moves, and do that before you add a second. Operators who track twenty metrics and act on none are more common than operators who track three and act on all of them - and far less profitable.