



KPIs that Matter in F&B

Contents

KPIs That Matter in F&B.....	3
Introduction.....	3
Section 1.....	3
F&B Revenue (Sales) versus budget versus forecast	4
Average spend per cover	4
Food and beverage cost (Cost of Sales %)	5
Contribution Margin	6
Food Waste %	7
Labour cost %	8
Cost Per Cover	9
Average labour cost per hour	10
Customer sentiment.....	11
Section 2	12
Cover utilisation	12
Revenue by day part.....	13
Covers per hour per day	13
F&B potential cost.....	13
Average labour cost per hour per cover	14
Revenue versus customer sentiment	15
Return rate	16
Section 3	17
Real-time insight.....	17
Short-term operational control	18
Strategic performance review.....	19
Avoiding siloed performance thinking.....	20
Building a sustainable review culture	21
Section 4	21
Moving beyond siloed systems	21
The role of a centralised data approach.....	22
Using technology to support real-time decisions.....	23
Supporting learning through trends, not snapshots	23
Technology as a leadership tool	23
Final Thoughts: Turning metrics into momentum	24
Appendix	24
Section 5	24
learnIFI.....	24
Skillnet.....	25

KPIs That Matter in F&B

Introduction

In hospitality, F&B performance is often discussed in terms of effort rather than data. Teams work hard, managers feel stretched, and leaders sense that results are weaker than they should be. Yet without a clear and consistent view of the right metrics, it becomes difficult to separate perception from reality.

A strong commercial approach starts with understanding what the numbers are really saying about the business. Not simply whether revenue is up or down, but how effectively space is being used, how labour is being deployed and where opportunity is being left on the table.

When metrics are used well, they move beyond reporting and become an effective resource for better decisions. In this module, we will focus on the measures that matter most in F&B, from the foundations of control to the indicators that unlock growth and profitability.



See appendix
for supporting
resources



Section 1 The Golden KPI's

Every F&B operation monitors a small set of core performance measures. These metrics provide the baseline needed to manage responsibly and understand key benchmarks for the operation.

They should be seen as the foundations of commercial control because, in their basic form, they show the key performance pillars of revenue, F&B cost, labour cost, and customer experience.

KPI	Calculation
Average Spend per Cover	Total revenue ÷ total covers
Food & Beverage Cost (Cost of Sales %)	Food cost ÷ food revenue × 100
Contribution Margin	Selling price – direct food or beverage cost
Food Waste %	€ Waste value (purchase price ex VAT) ÷ food revenue × 100
Labour Cost %	Total labour cost ÷ total F&B revenue × 100
Cost per Cover	(Total food cost + total labour cost + allocated overheads) ÷ total covers
Average Labour Cost per hour	Total labour cost ÷ Total Labour Hours Worked

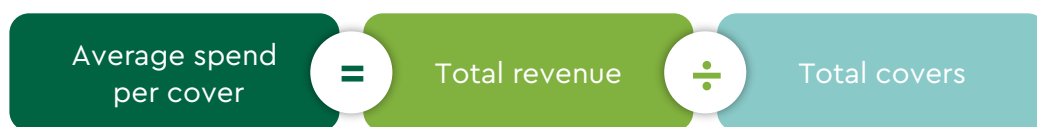
F&B Revenue (Sales) versus budget versus forecast

This comparison shows how the business is tracking against plan and expectation. Over time, patterns in variance often reveal where assumptions around demand, pricing or seasonality need to be reviewed. It also provides an important measure of forecasting discipline, not just trading performance.

For example, consistent outperformance against budget but underperformance against forecast may indicate that targets are set too conservatively or that demand patterns are shifting faster than planning cycles allow.

Knowing your revenue, net of VAT, and considering inflation to assess YoY performance, is one of the most important metrics; it helps drive many other cost metrics, manage cash flow, and deliver profitability.

Average spend per cover



Average spend per cover is often used as a shorthand for commercial success. It gives a useful indication of customer purchasing behaviour and menu performance, but on its own, it rarely tells the full story.

You should treat average spend as a behavioural metric, not solely a financial one.

When tracked consistently and viewed alongside other measures, it helps leaders understand:

- ✓ Whether higher spend is being driven by genuine customer choice or pricing pressure
- ✓ Whether premium menu items are enhancing the experience or making the offer less accessible to a broader range of customers
- ✓ Whether rising spend is masking falling cover numbers or declining utilisation

An increase in average spend may look positive on paper, but if it coincides with fewer customers or shorter trading windows, overall performance may be standing still or even slipping backwards.

For example, if a restaurant moves from serving across a three-hour dinner period to a more condensed two-hour window, it may achieve a higher spend per cover, but with fewer sittings and reduced capacity to serve additional customers, total revenue potential can be limited.

Looking at average spend per cover alongside revenue and cover count can help to build a trend around your revenue. For example, does a higher cover count result in a lower average check, meaning that customers are spending less per visit, because your team can't provide the same level of service, or do you see a higher average spend on weekends versus weekdays as the customer demographic changes?

Used in this way, average spend becomes more than a reporting figure. Its real value comes from how it is interpreted alongside other KPIs such as utilisation, covers per hour and customer sentiment. No single metric tells the full story. It is the combination of measures that provides meaningful insight.

Food and beverage cost (Cost of Sales %)

$$\text{Cost of sales} = \text{Food cost} \div \text{Food revenue} \times 100$$

Cost of sales remains one of the most closely monitored indicators in F&B. It is typically expressed as a percentage of revenue and provides insight into pricing discipline, purchasing effectiveness and portion control.

For example, food cost percentage is calculated as:

$\text{Food cost} \div \text{food revenue} \times 100$

If a kitchen generates €10,000 in food revenue and the cost of ingredients is €3,000, the food cost would be 30%.

However, F&B costs deliver their greatest value when used as a diagnostic tool, not just as a control measure. When reviewed properly, it helps leaders understand:

- ✓ **Where menu design supports or undermines margin**
Different dishes carry different cost structures. For example, a menu heavily weighted towards high-cost items such as premium cuts of meat will naturally drive a higher food cost percentage than one balanced with lower-cost, high-margin items. Understanding this helps ensure pricing, portioning and menu mix are aligned to target margins rather than relying on a single percentage target.
- ✓ **Where supplier strategy is aligned with the sales mix**
Purchasing decisions should reflect what is actually being sold. If a high volume of a particular dish is being driven through the menu, but supplier pricing has not been reviewed or negotiated accordingly, margins can quickly erode. Regular alignment between sales data and supplier agreements is essential to protect profitability.
- ✓ **Where operational practices are influencing yield**
Food cost is not only determined by what is bought and sold, but how it is handled. Inconsistent portion control, preparation methods, storage practices and waste management all impact the final cost of goods. Even small variations in execution can lead to significant differences in overall performance.



When food cost is treated only as a percentage target, it risks becoming a blunt instrument. Teams focus on hitting the number rather than understanding the drivers behind it.

Linking cost of sales to menu engineering, theoretical costing, and sales mix enables leaders to analyse where their current strategy is succeeding or not. This metric, though, does rely on accurate target setting, and while in some cases this is easily done using historical data, in others it can be affected by economic or social changes that push up costs, and if expectations aren't adjusted, it can lead to complexities in achieving them.

Contribution Margin



Understanding what each item contributes to profit

Revenue alone does not determine profitability. Two dishes may generate the same selling price but contribute very different levels of profit once ingredient cost is removed.

Contribution margin measures how much money remains from a sale after the direct cost of the item has been deducted. This remaining value contributes towards labour, overheads and ultimately profit.

It is one of the most important measures within menu engineering because it helps operators understand which items genuinely strengthen financial performance.

Contribution margin is typically calculated as:
Selling price - direct food or beverage cost

For example:

- ✓ A steak dish sold at €32 with a food cost of €14 has a contribution margin of €18
- ✓ A pasta dish sold at €18 with a food cost of €4 has a contribution margin of €14

Although the steak generates higher revenue, the pasta may deliver stronger profitability when considered alongside preparation time, kitchen complexity and speed of service. This is why contribution margin should never be viewed in isolation from operational reality.

When tracked consistently, contribution margin helps leaders understand:

- ✓ Which menu items contribute most strongly to profitability
- ✓ Which items generate revenue but dilute margin
- ✓ Which dishes are operationally efficient as well as commercially successful
- ✓ Where menu design may unintentionally drive complexity without proportional return

Contribution margin becomes particularly powerful when combined with popularity data through menu engineering analysis. For example:

- ✓ High popularity and high contribution margin items are often the strongest commercial performers and should be protected and promoted
- ✓ High popularity but low contribution margin items may require portion review, pricing adjustment or alternative ingredient strategies

- ✓ Low popularity but high contribution margin items may need stronger positioning or better staff recommendation

This allows menu decisions to move beyond instinct and towards evidence-based planning and becomes not just a pricing exercise, but a strategic tool for shaping commercial performance.

Food Waste %

$$\text{Food waste} = \frac{\text{€ Waste value}}{\text{Food revenue}} \times 100$$

Waste is one of the clearest signs of operational inefficiency, yet it is often accepted as an unavoidable part of hospitality.

In reality, wastage is rarely random. It usually reflects gaps in planning, forecasting and process.

Wastage should be measured consistently as a percentage of food revenue:
Waste value (purchase price ex VAT) ÷ food revenue × 100

For example, if €500 of food is wasted against €10,000 in food revenue, this represents a 5% waste level.

As a guide, many operations aim to keep waste at or below 5% of food revenue, although this will vary depending on concept, menu complexity and trading patterns.

When tracked consistently, wastage helps leaders identify:



Repeated spikes in waste after weekends, functions or peak trading periods often point to forecasting gaps rather than team performance issues.

Treating wastage as a performance metric rather than a cost line changes the conversation. It moves the focus from blame to improvement and from reaction to prevention.

In this way, waste reduction becomes a commercial discipline that can help identify many opportunities

A fluctuation in yield on meat preparation often points to a training need rather than poor performance or product issues.

Labour cost %

$$\text{Labour cost} = \frac{\text{Total labour cost}}{\text{Total F\&B revenue}} \times 100$$

Labour is typically the highest controllable cost in F&B. Monitoring labour costs as a percentage of revenue provides key visibility into productivity.

Labour cost is most commonly expressed as a percentage of revenue:

$\text{Total labour cost} \div \text{total F\&B revenue} \times 100$

For example, if labour costs are €4,000 against €10,000 in revenue, labour cost would be 40%.

This measure provides a clear view of how effectively people are being deployed relative to the volume of business being generated.

However, should never be viewed in isolation. It should always be considered alongside:



Short-term savings from reduced staffing levels can quickly lead to longer-term commercial losses if they undermine experience. Declining service standards commonly show up first in sentiment scores, then in return rates and finally in revenue.

Viewing labour cost through this broader lens helps operators strike the right balance between efficiency and effectiveness.

Labour cost percentage, though in its simplest form, is a strong metric to manage the cost line or highlight where operational efficiency may be lacking, or where a meal period isn't as profitable as it would appear.



See appendix
for supporting
resources

Cost Per Cover

Cost per cover

=

(Total food cost + total labour cost + allocated overheads)

÷

Total covers

Cover cost brings together the full picture of what it takes to serve one customer. By combining food, labour and other overhead allocation such as linen and customer consumables, it provides a more complete view of commercial reality.

This metric is particularly powerful when used to support strategic decisions. It helps leaders understand:

- ✓ Which outlets genuinely create value, and which simply create volume?
- ✓ Which day parts contribute to profitability, and which rely on cross-subsidy? where more profitable periods, such as dinner, effectively cover the costs of less profitable periods, such as lunch or afternoon service.
- ✓ Which promotions drive traffic but dilute margin?

Cover cost introduces objectivity into conversations that are commonly guided by perception or tradition. Rather than asking 'Is this outlet busy?' the question becomes 'Is this outlet profitable?'.

That shift supports more confident decisions around service format, pricing and space allocation.

For example, in the bar, you may have cost your cocktail based on the ingredients, but when adding a coaster for the table, a napkin, and complimentary snacks, you also need to factor in labour costs. The true cost of the item may be running at a loss. Cover cost is a great way to truly understand the departmental break-even point.

A simple way to calculate this is:

(Total food cost + total labour cost + allocated overheads) ÷ total covers

For example, if a restaurant incurs €6,000 in combined food, labour and overhead costs and serves 200 covers, the break-even cost per cover would be €30.

This means that, on average, each customer must spend at least €30 for the operation to cover its costs before generating profit.



This becomes particularly important when looking at individual items or offers.

For example, in a bar environment, a cocktail may appear profitable when considering ingredient cost alone. However, when additional elements such as garnishes, glassware, napkins, complimentary snacks and the labour required to prepare and serve the drink are included, the true cost may be significantly higher.

Average labour cost per hour



Average labour cost per hour reveals the true cost of deploying people, not just the total spend over a day or week.

It brings time into the performance conversation. When reviewed consistently, this metric helps leaders understand:

- ✓ How overtime, shift structure and skill mix affect cost efficiency.
- ✓ Where staffing patterns don't match trading rhythms.
- ✓ Where labour investment is being spread too thinly across low-impact periods.

Two days may carry the same total labour cost, but if one concentrates staffing into peak demand and the other spreads it evenly across the day, the commercial outcomes will differ significantly.



See appendix
for supporting resources

For example, two restaurant days may each carry a labour cost of €1,200.

On **Day 1**, staffing is concentrated around the busiest periods. The team is scheduled more heavily for breakfast peak and dinner service, with lighter cover in quieter shoulder periods. The restaurant serves 120 covers and generates €4,800 in revenue.

On **Day 2**, the same €1,200 labour cost is spread more evenly across the day, with too many team members rostered during quieter hours and not enough focus on when demand is highest. The restaurant serves 95 covers and generates €3,800 in revenue.

In both cases, labour spend is identical.

The difference is how effectively that labour is deployed.

- ✓ **Day 1 labour cost as a percentage of revenue = 25%**
- ✓ **Day 2 labour cost as a percentage of revenue = 31.6%**

This example shows that profitability is not shaped by labour cost alone, but by how well labour is matched to demand. Concentrating people where they add the most value can improve service, increase covers and strengthen revenue without increasing total labour spend.

Looking at labour cost through an hourly lens supports smarter workforce planning and more confident decisions about where people add the most value.

One of the most common areas this metric can highlight is when you may be overstaffing certain dayparts. For example, if you have an hour crossover at shift change, you may have an inflated labour cost per hour that can be reduced by implementing a more efficient process or shift pattern.

Customer sentiment

Customer sentiment reflects how the experience is being received in real time. It provides insight into service quality, consistency and emotional connection, all of which have a direct impact on long-term revenue.

You should treat customer sentiment not as a marketing measure, but as a commercial one.

In practice, this means bringing together feedback from multiple sources, including:

- ✓ Internal customer feedback tools
- ✓ Online reviews such as Google and TripAdvisor
- ✓ Booking platforms such as Booking.com
- ✓ Direct customer comments and team observations

Rather than reviewing these in isolation, they should be consolidated to provide a clearer overall view of performance, both in terms of scores and, more importantly, recurring themes.

For example, a customer may leave a five-star review but mention that their food was cold. While this may not have been enough to affect their overall rating, it still highlights an operational issue that requires attention.



If leaders focus only on scores, this type of feedback can be missed.

If they focus on sentiment, patterns begin to emerge.

Tracking sentiment allows leaders to identify:



Many technology platforms can support this process by consolidating feedback from multiple channels and analysing sentiment automatically. These tools often allow feedback to be broken down into categories such as food, service and drinks, giving leaders a clearer view of where performance is strong and where focus is needed.

This level of visibility supports more targeted action, helping teams prioritise improvements and benchmark performance over time.

Used in this way, customer sentiment becomes a practical tool for continuous improvement, ensuring that experience is not only measured, but understood.



Section 2

The metrics that move the dial

While core metrics deliver essential control, progressive F&B operations use a second layer of measures that focus on productivity, utilisation and potential. These metrics change the conversation from reporting results to fine-tuning performance.

They all look at the data used in the business differently, focusing on performance and opportunity.

Cover utilisation

Utilisation is a measurement you will be using in your room management every day. In F&B, it isn't as common, but managing your covers as inventory, just like your rooms, can help you change the way you think about success in your F&B spaces.

Let's share an example.

A 60-cover restaurant serves 58 covers on a Friday night. At face value, this feels like a strong result.

Yet when the service is examined more closely, a different story can emerge.

The average dining time is 2.5 hours. Tables are only turned once. Several two-tops are occupied by solo diners. A prime window table sits empty between 7pm and 8pm due to a no-show.

On paper, a full sitting may be seen as a successful service. In reality, significant revenue potential has been left unrealised.

This is why utilisation should be viewed not simply as covers served, but as seat occupancy over time.

You should look beyond totals and begin tracking:

- ✓ Cover duration by table, not just by service period
- ✓ Seat occupancy, not just tables filled
- ✓ Turn times by zone and booking window
- ✓ The financial impact of no shows on premium inventory

In many operations, improving utilisation through clearer reservation strategy, defined turn times, and a no-show protocol can unlock additional revenue from the same number of seats, especially when consistently reviewed to optimise across different days and periods throughout the year.

Revenue by day part

Two days with identical turnover can represent very different commercial realities depending on when that revenue is generated.

Breaking revenue down by day part gives leaders the ability to see:

- ✓ Which trading windows offer the most opportunity?
- ✓ Where fixed costs are being underutilised
- ✓ Where targeted menu, staffing or marketing interventions can unlock growth?

Opportunity often isn't in extending or reducing hours, but in making better use of the time that already exists. How do you make more out of periods that are successful (the utilisation metric above is great for this) or challenging, how to unlock revenue from periods which aren't doing so well.

Looking strategically at how the business performs at different times can really help you understand customer flow, revenue potential or cost opportunities.

Covers per hour per day

Covers per day provide volume. Covers per hour provide productivity.

Two services may each deliver 80 covers. One does so across four hours. The other spreads them across six. The revenue may be identical. The cost base will not be.

Tracking covers per hour highlights how efficiently time, space and people are being converted into output and supports more disciplined trading models.

F&B potential cost

Food cost targets are often set as a fixed percentage, with chefs and managers held accountable for achieving that number. While simple, this does not always reflect operational reality.



A chef may set a food cost target of 30%. One month, sales lean heavily toward higher-cost items such as steak. Another month, they shift towards lower-cost dishes such as pasta.

If the actual food cost comes in at 32% during the steak-heavy month, the immediate assumption may be a lapse in control. In reality, the result may be driven by sales mix.

This is why comparing actual cost with potential cost matters.

If potential is 30% and actual is 32%, this points to operational issues such as waste or portion control. If both sit above 30%, this suggests a commercial issue driven by menu mix and pricing.

This distinction creates fairer accountability and more constructive performance conversations.

Average labour cost per hour per cover

Teams can influence service flow and experience, but they do not ultimately control how much a customer chooses to spend. Regardless of whether a table orders a bottle of wine or a glass of water, the customer still needs to be welcomed, seated and served.

Average labour cost per hour per cover reframes labour through a productivity lens.



See appendix
for supporting
resources

On day one, the restaurant serves 20 covers per hour, with an average spend of €25.

On day two, the restaurant serves the same twenty covers per hour, but average spend rises to €35.

From a labour perspective, both services require the same number of people. From a revenue perspective, the second appears stronger.

If labour is reviewed only as a percentage of revenue, day two looks more efficient, even though the operational reality is identical.

By using **average labour cost per hour per cover**, leaders achieve a clearer view of:

- ✓ **Where staffing remains fixed despite changing demand**

For example, maintaining the same number of team members during quieter periods as during peak service can result in unnecessary cost, even if total labour hours appear consistent.

- ✓ **Where peaks and troughs create inefficiency**

Uneven demand across the day often leads to periods where teams are either under pressure or underutilised. Identifying these patterns allows for better alignment of staffing to actual trading rhythms.

- ✓ **Where higher spending masks productivity issues**

Higher average spend can make labour appear more efficient when viewed as a percentage of revenue, even if the number of covers served per hour has not improved. This can hide underlying inefficiencies in service flow or staffing structure.

- ✓ **Where lower spending unfairly makes labour look expensive**

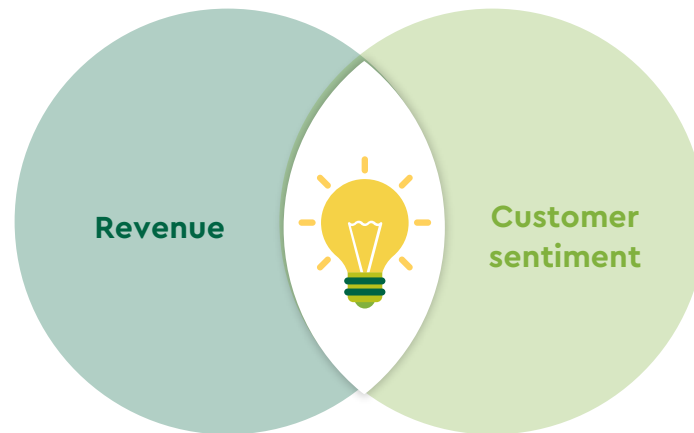
In periods where customers spend less, labour cost as a percentage of revenue may appear high, even though the same level of service is required. This helps separate genuine inefficiency from changes in customer behaviour.

This supports fairer performance conversations and more confident decisions about where labour can flex during the day.



Revenue versus customer sentiment

Revenue tells one story. Customer sentiment tells another. The real insight comes from understanding how the two interact.



Some periods show high revenue and high sentiment. Others show strong revenue but declining experience scores. In quieter periods, sentiment may rise even as revenue falls.

By analysing the relationship between revenue and customer sentiment, leaders can identify their operations sweet spot. The point where the business is both commercially strong and delivering the experience that drives loyalty.

If sentiment drops consistently during peak trading windows, this may indicate that the operation is reaching the limits of its staffing model. A modest increase in team deployment at key moments can protect experience and, in turn, support higher spend and stronger repeat business.

To measure and track this effectively, you should look to align customer sentiment data with trading patterns in real time or near real time.

This can be achieved by:

- ✓ Reviewing customer feedback by time of day or service period, rather than as a daily or weekly average
- ✓ Using platforms that timestamp reviews or in-service feedback to identify when experience begins to decline
- ✓ Comparing sentiment scores alongside covers per hour and labour deployment to understand where pressure points occur
- ✓ Encouraging teams to capture live feedback during service, particularly during peak periods, to identify issues before they escalate

For example, if customer sentiment consistently dips between 7pm and 8:30pm, when covers per hour are at their highest, this suggests that service capacity is being stretched during that window.

Tracking these patterns allows leaders to make targeted adjustments, such as:

- ✓ Increasing staffing during peak periods
- ✓ Adjusting reservation pacing to smooth demand
- ✓ Refining service flow to reduce pressure on key roles

By linking sentiment directly to when the business is busiest, leaders can move from reactive problem solving to proactive service design.

Return rate

Return rate measures how often customers return. It is one of the most powerful yet underused indicators of long-term F&B success.

Finding new customers is expensive and time-consuming. Keeping current ones is far more efficient. Returning customers are proven to spend more, engage more regularly and advocate more strongly for the business.

Tracking return rate shifts focus from short-term transactions to long-term relationships.

To measure this effectively, you should ensure there is a consistent way of identifying and recognising customers across visits.

This can be achieved through:

Reservation systems	Capturing customer details such as name, email address and phone number allows operators to track how often a customer books and returns over time. Many platforms also provide built-in reporting on repeat bookings and frequency.
CRM systems	Linking reservation data to a CRM enables a more complete view of customer behaviour, including visit frequency, spend patterns and preferences. This supports both measurement and targeted engagement.
EPOS and payment data	Where possible, linking transactions to customer profiles, through booking details or payment methods, helps build a clearer picture of repeat behaviour, particularly for walk-in customers.
Hotel PMS integration	For hotel-based operations, the Property Management System provides a valuable layer of insight. Tracking whether in-house guest return to dine across multiple stays, or whether local guests become regular restaurant users, helps connect F&B performance to the wider guest journey.
Direct customer interaction	Encouraging teams to recognise returning customers and capture basic information can support data collection where systems are limited.

Restaurant reservation platforms in particular play a critical role, as they often act as the primary source of customer data for F&B operations. When used effectively, they allow leaders to move beyond one-off bookings and begin to understand patterns of repeat behaviour.

By tracking return rate consistently, leaders can begin to answer important questions:

- ✓ How many customers return within a defined period
- ✓ How frequently high-value customers revisit
- ✓ Whether improvements in customer sentiment are leading to increased loyalty

This shifts the focus from simply filling seats to building a base of returning customers who provide more stable and predictable revenue over time.

When return rate becomes part of regular performance conversations, experience stops being abstract and becomes a measurable driver of future revenue.



Section 3

Creating the right rhythm of review

Metrics only create value when they are reviewed with intent. Too few reviews lead to missed opportunities. Too much creates noise. The goal is not to look at everything all the time, but to review the right measures at the right moment, in the right way.

A strong performance rhythm combines three levels of insight:



Real-time
awareness



Short-term
operational control



Long-term
trend understanding

Each serves a different purpose in building a commercially strong F&B operation.

Real-time insight

Some metrics lose their power if they are only reviewed after the event. These measures are most valuable when they support live operational decisions.

You should aim to have near real-time visibility of:

- ✓ Covers by service and by hour
- ✓ Revenue by day part
- ✓ Labour deployment against demand
- ✓ Customer sentiment as it is received
- ✓ No shows and late cancellations

These indicators help leaders and managers answer practical questions in the moment.

Understanding how and where to collect this data is key.

In practice, this typically comes from a combination of systems:

- ✓ **Reservation systems** provide live visibility of bookings, cancellations, no shows and pacing of demand throughout the day.
- ✓ **EPOS systems** allow revenue to be tracked in real time by item, category and day part.
- ✓ **Labour scheduling tools** help compare planned staffing against actual demand and can be adjusted during service where required.

- ✓ **Customer feedback platforms** can capture in-service sentiment through QR codes, table touchpoints or post-visit surveys, often with timestamps that allow feedback to be linked to specific trading periods.
- ✓ **Manual tracking where needed**, such as floor plans, section counts or team observations, can still play an important role, particularly in smaller operations or where systems are limited.

The key is not to rely on a single source, but to bring these inputs together in a way that allows managers to see a live picture of the operation.

Where possible, consolidating this data into a single view makes it significantly easier to analyse. A centralised data approach, whether through an ERP (Enterprise Resource Planning) system or shared dashboard, allows leaders to move beyond individual metrics and begin to understand how they interact.

For example, combining reservation pacing, live covers, EPOS revenue and labour deployment allows leaders to see not just how busy the business is, but how well it is coping with that demand.

More importantly, when data is brought together in one place, it becomes easier to identify correlations and cross-metric trends. This may include understanding how customer sentiment changes as utilisation increases, or how labour efficiency shifts in relation to covers per hour. This level of visibility enables more informed, timely intervention, whether that is adjusting staffing, managing table turns more actively or responding to early signs of service pressure.

Short-term operational control

What needs to be managed this week

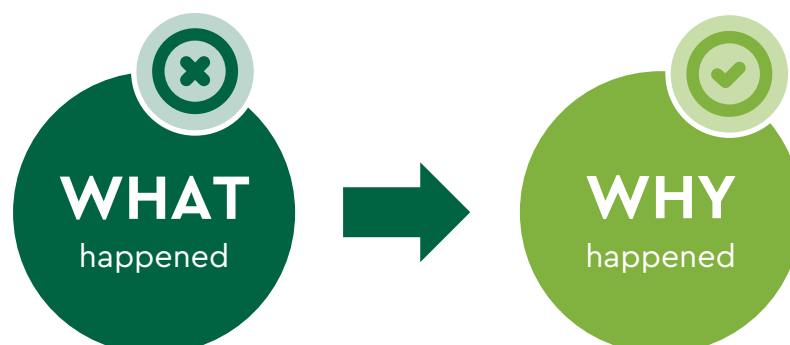
The second layer of review focuses on patterns that emerge over days rather than hours. This is where operational discipline is built.

Metrics that work best at this level include:

- ✓ Average spend per cover
- ✓ Labour cost and average labour cost per hour
- ✓ Wastage
- ✓ Covers per hour
- ✓ Customer sentiment trends
- ✓ Return rate signals

Reviewed weekly, these measures help leaders understand how effectively the business is being run, not just how busy it has been.

At this level, the conversation should move beyond what happened to why it happened.



Are staffing patterns aligned to real demand or historic habits? Is the average spend rising because customers are choosing more, or because prices are being pushed? Is waste increasing because forecasts are slipping or because menus are becoming more complex? Is sentiment dipping at the same point each week, suggesting a structural issue rather than a one-off.

The weekly review is where consistency is built and where small adjustments can have a powerful effect.

Strategic performance review

What are the trends telling you?

The third layer of insight comes from stepping back and looking at performance over time. Rather than reviewing metrics in isolation, leaders should examine trends over a rolling 13-week period. This timeframe is long enough to uncover real trends but short enough to remain relevant.

This way allows leaders to understand:



Labour efficiency

Whether labour efficiency is strengthening or fluctuating.

If labour efficiency is inconsistent, focus should be placed on aligning staffing with demand. This includes reviewing rotas against covers per hour, identifying overstaffed and understaffed periods, and adjusting shift patterns to better reflect trading rhythms.



Customer sentiment

Whether customer sentiment stays high during peak periods.

If sentiment declines during busy periods, attention should be given to service design and team deployment. This may include increasing staffing at key moments, refining service flow, or reducing operational complexity to maintain consistency under pressure.



Return rate

Whether the return rate is growing or stagnating.

If return rate is not improving, focus should shift to the customer experience and follow-up engagement. This may include improving consistency, capturing customer data more effectively, and using CRM or reservation systems to encourage repeat visits through targeted communication.



Revenue growth

Whether revenue growth is being achieved sustainably or through short-term pressure.

If revenue is increasing but supported by declining sentiment or return rate, this may indicate that performance is being driven at the expense of experience. Focus should be placed on balancing demand with delivery, ensuring that growth is supported by service capability rather than short-term volume.

Looking at metrics, this way shifts the focus from explaining individual weeks to understanding the direction of travel.

More importantly, it gives leaders the ability to discover relationships rather than just results. For example:

- ✓ Does customer sentiment fall as utilisation rises?
- ✓ Does higher average spend coincide with lower return rates?
- ✓ Does waste increase after changes in menu complexity?
- ✓ Does labour efficiency improve when scheduling matches closer to cover per hour?

This information rarely appears in a single report. They emerge when data is reviewed as a pattern rather than a snapshot.

Avoiding siloed performance thinking

One of the most common pitfalls in performance management is treating metrics as separate conversations.

Food cost is reviewed with the kitchen. Labour cost with operations. Customer sentiment with marketing. Revenue with finance.

These measures are deeply connected.

A change in labour deployment affects sentiment. A change in menu mix affects cost and spend. A change in utilisation affects service flow and return rate.

Reviewing metrics together rather than in silos supports more balanced decision-making. It reduces the risk of optimising one area at the expense of another and helps leaders see performance as a system rather than a set of targets.



Building a sustainable review culture

The most effective F&B leaders use metrics not just to report performance, but to learn from it. A strong rhythm of review enables leaders to:

- ✓ Ask better questions
- ✓ Scrutinise assumptions
- ✓ Identify patterns
- ✓ Shape behaviour through insight rather than instruction

When data is reviewed in real time for action, weekly for discipline and over thirteen weeks for direction, performance management becomes a leadership tool rather than an administrative task.

This is how metrics move from being something that happens at month's end to something that actively shapes the business every day.



Section 4

Using technology to make metrics work harder

Most F&B operations already hold a significant amount of data. Reservation systems, EPOS platforms, inventory tools, labour scheduling software and customer feedback platforms are widely in place. The challenge is rarely access to information. It is how effectively that information is used.

Technology should not be viewed as an end in itself. Its value lies in its ability to support better decisions, faster responses, and clearer conversations about performance. The most effective operators use technology to move from reporting what has happened to understanding why it happened and what to do next.

Moving beyond siloed systems

In many businesses, data sits across multiple platforms, each answering a different question.

- ✓ Reservation systems show demand and booking behaviour
- ✓ EPOS systems show what was sold and when
- ✓ Inventory systems show the cost of delivering
- ✓ Labour tools show how people were deployed
- ✓ Customer feedback platforms show how the experience was received

Used in isolation, each system is useful. Used together, they are powerful.

You should consider how well your current systems allow you to connect this information. For example:

- ✓ Can you see how changes in utilisation affect labour efficiency?
- ✓ Can you track whether a higher average spend coincides with improved or declining customer sentiment?

- ✓ Can you determine whether peaks in demand are supported by the right level of staffing?
- ✓ Can you identify where waste increases following changes in menu mix or volume?

If these questions are difficult to answer, the issue is often not the data itself, but the lack of connection between them.

The role of a centralised data approach

An increasing number of operators are adopting a centralised ERP or data hub model. This does not necessarily mean replacing existing systems but rather creating a layer that allows data from multiple sources to be viewed together.

The value of this approach lies in correlation, understanding not just individual metrics, but how they influence each other.

When data is brought together, leaders can begin to explore relationships such as:

- ✓ Revenue growth alongside labour cost per hour per cover
- ✓ Utilisation levels alongside customer sentiment trends
- ✓ Covers per hour alongside service quality scores
- ✓ Return rate alongside average spend behaviour

These patterns rarely emerge from single-system reports. They become visible when data is reviewed as a whole.

For many operators, the challenge is knowing where to start.

A practical first step is not to try to connect everything at once, but to focus on two or three key areas:

- ✓ Start by linking reservation data and EPOS data to understand covers, spend and trading patterns by day part
- ✓ Layer in labour data to assess how staffing aligns with demand
- ✓ Introduce customer sentiment to understand how experience changes as volume increases

Even a simple weekly report or dashboard that brings these elements together can provide valuable insight.

For example, an operator identifies that customer sentiment consistently drops during peak dinner service.

By combining reservation pacing, covers per hour and labour deployment data, they would be able to see that demand was exceeding staffing capacity between 7pm and 8:30pm.

By adjusting rotas to better match this peak window and refining table pacing, service flow can be improved, customer satisfaction increased and additional revenue can be generated from the same number of seats.

This type of approach does not require a full system overhaul. It requires a clear focus on which metrics matter most and how they connect.

Using technology to support real-time decisions

Some of the most valuable use cases for technology sit at the operational edge. Real-time or near real-time visibility enables leaders to respond while the service is still in motion, rather than analysing outcomes after the fact.

You should consider:

- ✓ How quickly is customer sentiment feedback visible to managers on the floor?
- ✓ Whether reservation data can be used to anticipate pressure points before they occur
- ✓ Whether labour deployment can be flexed based on live demand rather than fixed rotas
- ✓ Whether no-shows and late cancellations are visible early enough to protect high-value inventory

Technology that supports these decisions helps protect experience during peak periods and avoid unnecessary cost during quieter ones.

Supporting learning through trends, not snapshots

Beyond real-time use, technology plays a key role in helping teams learn from patterns. Dashboards that allow metrics to be viewed over rolling periods, such as thirteen weeks, help leaders move away from explaining individual results and towards understanding the direction of travel.

You should ask:



This longer-term view supports more confident planning, stronger communication with owners and stronger alignment across teams.

Technology as a leadership tool

Perhaps the most important role technology plays is shaping conversations.

When data is accessible, connected and clearly presented, performance discussions become less about opinion and more about evidence. This creates a more constructive environment for teams to engage with change.

Technology, used well, helps leaders:

- ✓ Ask better questions rather than provide answers
- ✓ Focus teams on outcomes rather than activity

- ✓ Create shared accountability across functions
- ✓ Build confidence in decision-making at all levels
- ✓ In this way, technology acts as more than an operational support, but a leadership enabler

Final Thoughts: Turning metrics into momentum

Strong F&B performance is rarely the result of a single decision. It is built through hundreds of small choices made each week around pricing, staffing, space and service. The metrics in this resource are not designed to create complexity. They are intended to bring clarity. To help leaders focus on what genuinely drives commercial success and to give teams a shared language for performance.

When the right measures are reviewed consistently, supported by the right technology and interpreted with a clear commercial lens, metrics stop being something that happens at month's end. They become part of how the business thinks, plans and leads every day.

Appendix



Section 5 Supporting resources

learnIFI

F&B Finance: Calculating the Theoretical Food Cost	F&B Finance: Calculating the Theoretical Food Cost - Content Details LearnIFI
F&B Finance: Cost of Sales and Gross Profit	F&B Finance: Cost of Sales and Gross Profit - Content Details LearnIFI
F&B Finance: Menu Engineering and Upselling	F&B Finance: Menu Engineering and Upselling - Content Details LearnIFI
F&B Finance: Pricing Food & Beverage Products	F&B Finance: Pricing Food & Beverage Products - Content Details LearnIFI
F&B Finance: Managing the Purchasing Cycle	F&B Finance: Managing the Purchasing Cycle - Content Details LearnIFI

Skillnet

IHF and Restaurant & Hospitality Skillnet can provide in-company F&B capability supports and onsite training options to assist in upskilling frontline staff and supporting F&B kitchen and management team development.

For further information, contact:

- ✓ **Restaurant & Hospitality Skillnet** (open to all Hospitality and food experiences, including non-Hotel)
- ✓ **Irish Hotels Federation Skillnet** (open to Registered Hotels and Guesthouses only)

Restaurant & Hospitality Skillnet

Labour Forecasting & Scheduling	<u>Labour Forecasting & Scheduling eLearning Programme</u>
Continuous Improvement (LEAN)	<u>Creating Continuous Improvements – Bite Size LEAN Modules e-Learning</u>

Irish Hotels Federation Skillnet

GM Masterclasses Phase II (Advanced)	<u>Interpreting Data for Business Decisions</u>
Continuous Improvement for F&B	<u>Introduction to Continuous Improvement for F&B</u>