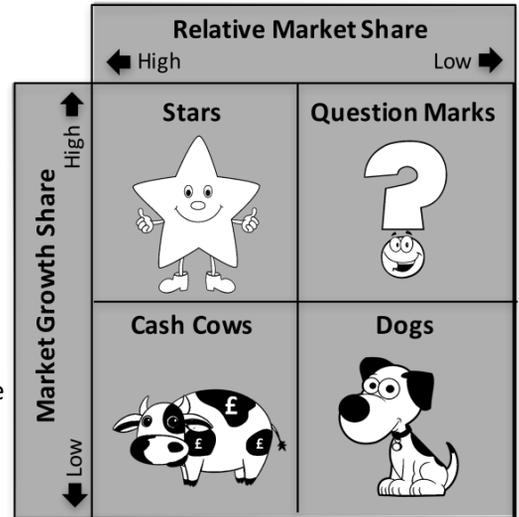




Having worked with a client recently and discussed the significance of the “Sales-mix”, it occurred to me that it would be in the interests of all Facilities Managers to share my best practice approach.

FACT: At the end of 2016 accountancy firm, Moore Stephens, predicted 5,570 restaurant businesses in Britain had a 30% chance of going bust because the fall in sterling since Brexit would sharply raise the cost of imported food and wine.

- Almost a year on and caterers need to pay attention to “sales-mix” in their monthly reports, like retailers such as Starbucks (see case study below). With chefs and managers involved, they’ll be better prepared to combat sharp increases in food & beverage costs and better understand 3 critical factors:
 - (1) the number of items sold
 - (2) the food costs and
 - (3) the profit margin.
- Over time, a “sales-mix” analysis provides a good look at the average profit generated by each product sold. Firstly, if your caterer doesn’t currently have a model for the business, they should develop a bespoke one. Then, on a graph, similar to the one shown (called the Boston Matrix), your caterer - using sales data from the most recent time period i.e. the last 30 days - needs to plot absolutely every product that appears on your menu. Then you’ll see what needs to stay and what needs to be replaced!



<p>Stars</p> <ul style="list-style-type: none"> •High market share and growth •Products: drive sales but costly to produce i.e. <i>street food</i> •Earning potential: Low, stable and •Strategy: Invest in, promote/highlight on menu 	<p>Question Marks</p> <ul style="list-style-type: none"> •Low market share, high growth •Products: popular if tweaked/invested in, hard to sell •Earning potential: low, unstable and •Strategy: Feature on menus or make specials
<p>Cash Cows</p> <ul style="list-style-type: none"> •High market share, low growth •Products: easy to make, low-cost & huge profit i.e. <i>soup</i> •Earning potential: High and stable •Strategy: Invest to create more profitable versions 	<p>Dogs</p> <ul style="list-style-type: none"> •Low market share and growth •Products: not profitable enough i.e. staples for a few •Earning potential: Low and unstable •Strategy: Divest/remove/de-emphasize from your menus

CASE STUDY: STARBUCKS



- ❖ **Cash cows** - regular Coffee, Latte & Frappacinos at nearly every location. Stable products that account for the bulk of sales.
- ❖ **Stars** - International locations hold less financial risk and open doors for innovation and stability.
- ❖ **Question marks** - are the recently added VIA instant coffee to be expanding to grocery stores and convenient stores, pre-bottle frappacinos which account for a fraction of sales & the forgotten sub-brand Seattle’s Best.

Contact us today if you want us to work with your caterer to help develop your sales mix?

WHO we are...

Turpin Smale is a leading independent UK catering consultancy with an excellent reputation across sectors. Celebrating almost 30 years, the business today is wholly owned by its four Owner-Directors. Tracey Fairclough focuses on the B&I sector.



WHERE we operate...

- Staff Restaurants
- Cafes
- Coffee Shops
- Delis
- Fine Dining
- Meeting Room Services
- Hospitality
- Commercial Catering



WHAT we do...

1. Catering Audits
2. Catering Appraisals
3. Rebranding of Catering Premises
4. Catering Evaluations
5. Catering Tenders
5. Catering Benchmark Reports
6. Creative Food Focus Tours
7. Mystery Diner Silent Surveys