

# Altametrics Universal Forecasting

Improve your restaurant's performance with the Altametrics Universal Forecasting solution. Take the guesswork out of forecasting your labor and food costs and improve the reliability by comparing your actuals against your forecasted data. Predict operational metrics and analyze historic trends and outliers to get an accurate picture of your future. Increase profits and accelerate the growth of your business by using the forecasts to guide your decision-making.

## 1. Reduce Labor Costs!

### Daypart sales - Staff Coverage:

The Altametrics Forecasting solution provides you with daypart sales forecasts to help determine your staff coverage. You can break your forecasted sales down into 15-minute increments. This allows you to perfectly create your schedule so your staff coverage is optimal throughout each hour of a business day.

### Customized Forecasts - Labor Matrix

Forecasting best practices are not universal throughout your organization, so each forecast is tailored to the individual site. The customized labor matrix will be created for each site to ensure that the forecasted labor is appropriate for each location. A labor matrix is the varying levels of staff coverage that your site needs to meet the demand and stay within your labor budget based off your forecasted sales. For example, if you have a forecasted sales during a lunch hour above \$1,000, then you will need an additional server compared to a day where your forecasted sales are lower. Optimizing your labor matrix can help cut your labor costs.

### Fixed and Variable Staff

The labor matrix helps you to forecast your labor needs for the variable staff, like hourly-employees. When you have fixed staff, for example a team leader, there will always be the same number of employee(s) assigned to that position during business hours. This makes the coverage for that position fixed and it will not change regardless of the forecasted sales. Our forecasting tool makes it easy to mark the fixed staff and determine the total staff with variable coverage who are needed.

### Forecasted Sales - Events, Weather, Seasonality, Holidays, Square footage, Guest Traffic, Transactions, etc...

In order to determine the perfect labor schedule, the Altametrics Forecasting solution takes every aspect of your business into account. Other than sales and transactional data, here are some of the most important metrics included in our forecasting tool:

**Holidays:**

Holidays typically have a significant impact on the expected sales for the day. For example, on Thanksgiving you might expect the number of guests to be much lower than usual. However, on Valentine's Day you might expect extra traffic during your lunch and dinner hours.

**Events:**

Events at your restaurant can impact your anticipated guest counts drastically. If you have a band that performs live music every other Friday, then you might expect an increase in guest count for those days. Additionally, events that your business is not hosting or has any control over, can also determine how busy you will be. For example, if the local High School hosts a football game, you can expect a huge rush of guests immediately after the game. In the Altametrics Forecasting solution, you are able to set up these events and add them to the calendar to make sure they are included in your forecast. The event types can be set and tracked, and our tools will learn from the past events to accurately forecast them in the future.

**Weather and Seasonality:**

Believe it or not, weather can have a big impact on your anticipated demand. If you are expecting heavy rainstorms in the afternoon, then it is likely that some potential customers may decide to stay home. Also, in the winter months, there will be less customers who want to sit outside in your patio seating. Our forecasting tool takes into account historical seasonality data and weather predictions to give you the best forecast possible.

**Square Footage, Guest Traffic, and Site Capacity:**

Although many of your locations are similar, each location is unique in its own way. Some are larger and can handle more traffic, and some are more accessible to more people. These metrics are incorporated with our forecasting tool. For example, a site that is in a big city might have limited parking and a smaller capacity than a location in the suburbs. It is important that all of this is taken into account when determining the forecasted sales.

**Coupons and Promotions:**

When you ramp up your marketing campaign and release a promotional item, you will be expecting more traffic during that promotional period. To properly meet the demand of the promotion, you will likely need more staff. These coupon and promotional events are calculated into your forecast to ensure you meet the increased demand.

**Predictive Scheduling:**

The Altametrics Forecasting and Scheduling solutions take into account all the labor laws specific to a site. Some of these laws, commonly referred to as predictive scheduling laws, require employers to post schedules a certain number of weeks before it is actually worked. If the schedule changes within that time frame, you might owe the affected employee(s) some sort

of compensation. Our forecasting solution integrates with these predictive scheduling laws to help eliminate the scheduling mistakes and reduce the back wage pay. Additionally, with these laws some “on-call” employees can be entitled to compensation even if they were not called in to work. Our forecasts take this into consideration to maintain low labor costs without giving up the security blanket of on-call employees. No matter what predictive scheduling law impacts you, our forecasting and scheduling solutions make them easy to comply with.

## 2. Reduce Food Costs!

### Forecasted Inventory Levels:

Similar to your labor, the Altametrics Forecasting solution takes into account every factor that impacts your inventory levels to help control your food costs. Accurate forecasts allow you to maintain appropriate inventory levels to meet the expected demand. It guides you to order the appropriate quantities from your suppliers.

### Forecasted Usage - Demand, Coupons, Promotions, Events, Weather, Seasonality:

Determining what and how much to order can be a challenge. With the Altametrics Forecasting solution, your business can optimize the inventory levels. Demand is the obvious driver of how much inventory is consumed. However, the demand is not always consistent. For example, some days you might sell more of a product than other days even though the sales dollars and guest counts don't change. There are several other factors that are calculated in our forecasting solution:

#### **Coupons and Promotions:**

Coupons and promotions likely will lead to an increase in total sales, but will impact certain items more than others. For example, if I have a buy one get one free deal on a specific burger, then I can expect to use more of the ingredients included in that recipe. It is crucial to ensure that inventory levels are maintained so you can meet the demand of any promotion or coupon event at your store. Our tool will make it easy to plan ahead for these events and ensure you have the items you need.

#### **Events:**

Some events will have specific demand associated with it. One example would be catering. If your restaurant only caters certain items, then you will need to ensure that these items are more readily available so you can deliver on any catering request you receive.

#### **Weather and Seasonality:**

When it's Winter and cold outside, your ice cream sales aren't going to be very high. However, the demand for items like soup and hot chocolate are likely to skyrocket on those chilly Winter

days. Our forecasting tool takes historical data from past seasons and weather and helps predict what items will be in demand and helps you order accordingly.

### Suggested Ordering - Order Quantities:

The Altametrics Forecasting solution is the most accurate and advanced inventory forecasting tool available. We make the forecasts easy to understand so every manager in the entire organization will become a master at inventory management. The Suggested Ordering feature will assist your managers when placing orders so they can ensure they are ordering the necessary quantities.

### 3. Forecasting Integrations:

Forecasting taking into account every possible metric to create an accurate forecast. The Altametrics Forecasting solution integrates with all of the software you use to get every detail it needs to create that perfect forecast. With your Point-of-Sale, the integration will share data like sales, transactions, guests, and the menu mix. With vendor integration, you are able to get pricing data for the items you will order to give you visibility on your actual food costs.

**Restaurant Forecasting Engine** for sales, inventory levels, guest traffic, order quantities, and production needs are based on historical consumption patterns, sales trends, seasonality, special promotions and current on-hand levels. CrunchTime learns from history, and real-time data, to increase restaurant forecasting precision.

**Customized Forecasting** because no two restaurant companies run their businesses the same way. CrunchTime provides a console of hundreds of 'levers' so you can adjust to customize the forecasting algorithms to match your business model. This includes specifying the forecasting granularity: by day, day-part, hour, half-hour, or 15 minute intervals.

## eRestaurant takes the guesswork out of forecasting.

eRestaurant combines your restaurant's square footage, number of parking spaces, store location and other attributes, and adds in the last few weeks of performance to build a basic forecast. Then eRestaurant's proprietary algorithm factors in weather, last year's performance, seasonality, local store events, corporate events and more to create a unique sales forecast for each restaurant.

## Effortless Budgeting and Forecasting

Every restaurant owner wants pain-free budgeting. We've all heard it, so that's exactly what Restaurant365 delivers.

- Create budgets according to your financial calendar, whether that's 13 4-week periods, 4-4-5, or something else.
- Easily import or export budgeting spreadsheets to and from Excel. No hassle here.
- Want to compare actual performance against budget or view GL trends? It's what our financial reports were designed for!

Let your data work for you. With Forecast you can quickly and easily configure your sales and labor forecasting formulas to provide an up to date and accurate picture of your restaurant's sales for the next month. Harnessing the power of your sales numbers directly from your POS System you can see how historical figures will affect predicted sales. Each chart is customizable to quickly update based on unplanned for events or issues. See weather forecasts built into your charts to quickly estimate how Mother Nature may affect your sales. Choose to view your historical data as charts to quickly spot trends and identify outliers. With Forecast you'll never be caught unawares again.

- Monitor ups and downs to avoid under/overs
- Reduce mistakes by reducing
- Eliminate over and under prepping and staffing
- Increase accuracy of daily operational metrics
- Show historical trends to increase performance

See your trends to get the most accurate picture of the future.

Forecasts guide profitable decision-making based on operational benchmarks that accelerate the growth of your business.

Take the guess work out of planning, so you can prep and staff your restaurant appropriately to get better margins in your restaurant.

Show trends, outliers, and other metrics to drive profitable real-time decision making visible through all levels of your restaurant.

Deliver restaurant performance that exceeds expectations with Forecasting.

- Predict short-term operational metrics for upcoming periods
- Show historic trends and data exceptions to forecast with increased reliability
- View trends of forecast compared to actual data to improve accuracy of budgets
- When used in conjunction with Labor Scheduling, a projected labor cost is calculated
- Utilize projected sales metrics to manage Prep Sheets to reduce costs
- Ensure that inventory is always available and minimize the possibility of waste

## PREDICTIVE SCHEDULING

Data Central's Labor Management Module combines sales forecasting and defined labor requirements to predict a daily schedule by job station and employee. This blend of factors generates a schedule that is both cost effective and operationally sound. Managers review the results via standard reports and interactive dashboards.

## Food Forecasting:

### PREDICTIVE ORDERING

Data Central makes inventory forecasting easy by using historical consumption, sales forecasts, vendor delivery schedules, thaw and prep times, and ingredient level inventory tracking. It automatically determines inventory needs, suggest adjustments, and integrates with vendors to fulfill orders. Maintaining optimal inventory levels ensures proper turn and ensures maximized profitability.

### FORECAST YOUR RESTAURANT'S SALES WITH HOUR-BY-HOUR PRECISION

By [Shannon Arnold](#) | [January 2014](#) | [Expert Insights](#)

Forecasting in the restaurant business is a challenge. A strong forecast looks at hours, not weeks. It considers real-time conditions, like the weather, and guides owners to smarter, more accurate, more profitable decision-making.

Rain with a Chance of Profit

*It's Wednesday night. You're planning for next Monday, your slowest day.*

*You're running a new promotion: half off on a second entrée. The grill across the street is showing the playoff game on its big screens. Your other closest competitor is facing road construction. The weather report anticipates*

*thunderstorms. This coming Monday, in so many ways, isn't going to be like last Monday.*

*How much inventory should you purchase? How many people will you need?*

Accurately forecasting the answers to those two questions is one of the great goals of restaurant management. Eliminating waste and controlling payroll is a recipe for profits—no less important than portion control. Forecasting is key. Accuracy is paramount.

Forecasting by instinct and personal experience—putting a finger in the air—can only take you to "Mondays are slow." But all the detail is missing. This kind of "feels like rain" forecasting can't deliver the level of accuracy you need for tight control of your staffing and purchasing. So many other factors, beyond just history, play a role. For next Monday, the only way to get an accurate forecast is to be able to *mathematically* incorporate every important factor: items ordered most and least on Mondays, impact of a promotion on sales, impact of bad weather. Day of week, time of day, community events, sales item coefficients: each has to be factored in for a forecast that's on the money.

Forecasting Controls the Under/Overs

Accurate forecasts control two of the biggest threats to restaurant profitability: "The Under/Overs."

### *1. Under/Over-Buying*

A recent study conducted by LeanPath estimates that between 4 percent and 10 percent of the food restaurants buy is thrown away. The impact of running out of a menu item is as hard to track as it is significant: how many customers won't come back because of it? Forecasting helps ensure you keep waste to a minimum and that inventory is always available.

### *2. Under/Over-Staffing*



Servers standing idle or stretched too thin—either way, the situation is a drain on profit and on customer satisfaction. Forecasting offers the best window into how much staff to bring in for any given time of any given day.

### The Anatomy of a Forecast

An accurate forecast has two ingredients.

#### *1. The Data*

In most cases, a restaurant's POS captures a lot of the data needed—[Maitre'D](#) stores and manages all the raw data required. Most POS systems handle the collection of this "structured" data routinely—storing sales, inventory, and marketing data. From these points, they can produce reports like sales-per-period, revenue-per-server, and so on.

Maitre'D also allows you to store and analyze more "unstructured" data, such as notes about the weather or the impact of a competitor promotion.

#### *2. The Analysis*

While most POS systems gather the data and produce historical reports, Maitre'D lets you forecast what the impact of a promotion will be for next Monday, in bad weather, before you staff, or before you order from suppliers. It integrates all this information into a range of operational forecasts, including quarter-hour sales forecasts, per-item forecasts, production tables, staffing, and more.

### Forecasting Checklist

Finally, is your forecast the best it can be? Use these three simple guidelines to test it.

#### Is It Granular?

How detailed is your forecast? On Saturdays, your sales may increase by 10 percent, but your forecast must include knowledge of the items you're selling more of—is it burgers or beer? You already know that a sales increase means more staff on hand, but your staffing forecast must include the times of day

when you need the extra help. Waste must be forecast as well, to serve as an operational benchmark. And the forecast needs to exclude some days from its analysis (for instance, if a power outage closed you down for a night).

#### Is It Current?

How much of your forecast is based not just on history, but what's happening right *now*? You expect low-range sales on Mondays. But don't forget the road construction, the marketing promotion, and the big game across the street. Your forecast must integrate *all* the relevant data for you to make accurate and profitable decisions.

#### Is It Measured?

How are you measuring your forecasts? The measurements you'll use to determine forecasting accuracy come from many sources. Analysts, associations, and parent companies offer operational benchmarks you can use. As you use forecasting to tighten staffing, expect to quickly see a rise in revenue per employee and a drop in payroll. And you can tell instantly at the end of each day whether waste is decreasing.

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