



BAR & RESTAURANT INDUSTRY STANDARDS & AVERAGES

WHERE DO YOU RANK INSIDE THESE NUMBERS?





Target Benchmarks You Need To Hit To Be Successful

Although numbers might bore you or even make you want to pull your hair out by the roots, they are the key to your success. Like using a road map, by analyzing where you're at, you are able to adjust your course to get where you need to be. Not all bars & restaurants are created equal, so the numbers will not exactly match, but you should be doing all you can do achieve realistic industry benchmarks. NOTE: These are benchmarks you SHOULD be hitting. The ACTUAL industry standards are often much worse.

ALCOHOL

- LIQUOR: 17 - 20%
- BOTTLED BEER: 22 – 26%
- DRAFT BEER: 18 – 22%
- WINE: 25 – 35%

NON-ALCOHOLIC

-
- SODAS: 10 - 12%
 - COFFEE: 15 -18%
 - SPECIALTY COFFEE: 12 - 15%

FOOD

- FOOD: 28 – 32% (depending on fine or casual dining)

PAPER PRODUCTS

- FINE DINING: 1 - 2%
- CASUAL DINING: 3 – 4%

LABOR

- MANAGEMENT SALARIES: 8 – 10%
- FOH & BOH HOURLY EMPLOYEES: 18 – 22%
- BENEFITS: 4 -6%

PRIME COSTS (COGS + PAYROLL ÷ SALES)

- PRIME COST: 60 – 65%

PRIME COST: THE KEY INDICATOR

If you could only choose one metric to measure how well financially your bar/restaurant is doing, prime cost would be the one. It factors in the three major costs together (food, alcohol and labor) and gives you the biggest opportunity to see where you're at and the main areas to improve on.

"Control" is the main point of emphasis here. Control your food, alcohol and labor costs and your profits will rise.

OCCUPANCY

- RENT: 4 – 7%
- TAXES & MISC. 3 – 4%
- TOTAL OCCUPANCY: 10% OR LESS

OCCUPANCY COSTS INCLUDE:

- Rent
- Equipment rentals
- Real Estate Taxes
- Personal Property Taxes
- Miscellaneous Municipal Taxes
- Building Insurance
- Miscellaneous Insurance

SALES/SQ. FOOT (ANNUAL SALES ÷ SQ. FOOTAGE)

- LOW/LOSING MONEY: <\$200/SQ. FOOT
- AVERAGE/BREAK EVEN: \$200 - \$250/SQ. FOOT
- MODEST PROFIT: \$250 - \$400/SQ. FOOT
- HIGH PROFIT: \$400+/SQ. FOOT

ABOUT BAR PATROL

Bar Patrol was founded in 2011 by Dave Allred, a 25-year industry veteran who has worked in the trenches as a busser, server and bartender, as well as managed multiple bars in the San Francisco Bay Area.

Dave started Bar Patrol when he saw a gigantic gap in the area of managing numbers and running a profitable bar/restaurant business, as most people in management positions have not been properly educated on the financial side of running a business.

Specifically, Bar Patrol focuses on an easier, faster more accurate way of taking inventory for liquor and food, and particularly controlling the amount of shrinkage walking out the door on a daily basis.

To view Bar Patrol's inventory app and online inventory software, visit Barpatrol.net, or contact Dave at Dave@barpatrol.net.

We wish you all the best in running a profitable bar/restaurant.