

HOW IS MY PUB PERFORMING? Presented by Charman Partners – Accountants & Advisors

One of the most common questions we hear on the Pubs, Pots and Profits tour revolves around benchmarking and key performance indicators (KPIs). Most publicans know how well their business is running, but is it on par with other venues? Are there any ways of comparing my business with others like my own?

There are a number of sources where you can access this information, from business surveys, the ATO, and from experienced operators in the industry. Let's have a look at some common KPI's, and what some of the better hotels in the industry are able to achieve:

The Top Achievers



Department Gross Margins

Food	68 - 73%
Bars	70 - 74%
Bottleshop	22 - 25%

Keep your eye out for wastage, ensure that you are getting the most from your supply chain and that your prices are competitive and reflective of the service you offer.

Overall Gross Margins

Non-Gaming	54 - 60%
Gaming	76 - 80%

Make sure your target takes into account all the activities of the hotel, including gaming, off premise sales and high GP items.

Wages

All Hotels	17 - 19%
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Wage pressures make this a harder target to achieve.

Net Profit Margin

All Hotels	9 - 11%
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Even if your GP margins are healthy, wages and overheads are beginning to bite into your bottom line.

A Few Tips

Record Keeping	Before we even start putting up your results, how confident are you of producing the information required to do so? How confident are you in your internal accounting systems? Without accurate and timely record-keeping, then such an exercise may be a waste of time. If so – it's time to get help!
Gross Profit vs Net Profit	Your gross profit margins are great, but net profits are still down? Flat revenue, combined with increased wages costs, power costs and rent will eat away at the bottom line. Maybe your gross profit margins need to be set a little higher.
Increase Sales	Ensure that you consistently check your pricing. Focus your advertising to your target markets. Work on your point of difference – great food, great service, great range etc. If you can sell the customer a good time, then you can charge a good price.
Be Realistic	In some cases, factors such as location and product mix means that some targets will be unachievable. Set your benchmarks at realistic and achievable levels.

Need Help?

Charman Partners has had a long history in the hospitality industry, and we match our experience with our enthusiasm for working with great hotels.

We are currently offering AHA members a copy of your own benchmarking report, which will compare your own data with that produced by www.benchmarking.com.au for **\$750 plus GST**, covering a wide range of KPI's and industry data.

Contact **David Gow** on **9878 8200** or david@charmanpartners.com.au to order your copy today!