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MONEY

Restaurant Budgeting Tips You May Not Know to Help You Get Your Week to Week, Season to Season Budgets Back in Shape

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Whether you are a restaurant owner, manager, or employee, handling financial highs and lows through the weeks and seasons can be stressful, but can also wreak havoc on your overall restaurant budgeting strategy. From fluctuating profits to changes in produce prices, if you're not managing your restaurant's budgets and tracking the trends in your business with care, your restaurant could easily meet its downfall.

Even if you're an accounting guru, following these critical tips and tricks can help you manage your restaurant's money better and help push you toward financial success.

Managing Your Weekly Budget

Right out of the gate, you should be looking at your financial info from the previous week, the coming week, and from this time last year, explains Ian Duke, owner/operator of [Union Burger Bar](#), [Union Cantina](#), and [Southampton Social Club](#). This data paints a picture of past and current performance plus identifies potential adjustments you can make in the coming weeks. A few simple tweaks in your weekly budget can mean the difference between hitting your monthly goals and missing by a mile.

Duke also recommends asking these questions weekly:

- Did you hit your expectations in sales and expenses?
- Did you run your prime cost at the right percentage? If you didn't, why didn't you?
- Were there any unexpected costs you couldn't have planned for, like plumbing or electrical?
- What do your future weeks look like based on the current week's data?

A weekly analysis shows how well you're managing the restaurant's budgets, where you're falling short, and where you can improve. And your weekly check-in can catch mistakes and correct them before the end of the month, explains Duke.

Knowing the ebb and flow of high weekends and low weekdays each and every week makes restaurant budgeting more predictable. By checking in frequently, you'll gain a better understanding of your profit and loss statement (P&L), payroll, and expenses. You're also more likely to identify growth and cost-cutting opportunities.

Steps for Seasonal Budget Management

Now that it's on your radar to check in often with your weekly budget management, it's time to account for the variance of peak and valley seasons. Review your high season from last year to get a good indication of what profits may look like this year, says director of operations at [Colada Cuban Café](#), Hector Torres. There are a number of free and open-source budgeting programs available online, but even simple data recording tools like [Excel](#) or [Google Sheets](#) can help build your historical budgeting record.

In Colada's seasonal planning meeting, they review last year's numbers then alter the coming busy season's budget, including adding a 10 percent savings cushion for slow times, explains Torres. This cushion lets you keep paying payroll, but also, if it's not needed, you can roll it back into your business. This means extra funds for marketing, like working with influencers to promote your restaurant for off-season buzz, or hot item specials to increase profits during busy seasons.

Duke agrees that seasonal restaurant owners must make sure to maximize every week of the high season to help prepare their restaurant budgeting for the slower months. That means, for example, ensuring you have enough staff, but not too many on the floor. "A lot of owners and operators make that mistake in trying to run really, really tight on their labor, or their liquor, knowing full well that...if you don't have the [staff] there [plus a product] to serve, you have no way to access those sales," he explains.

And if you know the high season is coming, purchase nonperishable items whenever prices are lowest, even if that means carrying more product than usual, says Duke. Because when the high season comes, your budget is in much better shape because you've already purchased the product for the lowest possible amount. Knowing when you should purchase your nonperishables for the best price is a great way to improve your seasonal budgeting.

"On the perishable side, you've got to run closer and, yes, on Sunday nights from time to time you're going to run out of seafood. From time to time you're going to run out of a higher risk product because you ran your numbers properly," explains Duke.

Staying on Track through the Weeks and Seasons

Always pay attention to what you're buying, the current trends, how your money is working for you, what your vendors are charging, and what your service charges are, says Duke, "You need to create an environment where everyone understands that every single penny matters, but don't be penny-wise and pound foolish."

Remember, managing your restaurant budgets weekly and through the seasons helps you plan for ups and downs, but also shows opportunities for cutting costs to improve your revenue. If you're in a slow season or have a slow day of the week, think about how you can move funds around for more marketing to help increase your ticket numbers. If you're enjoying the high weekend numbers or hot season, stash extra funds for the low times to smooth out your budget and avoid the feast and famine cycle.

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