BUSINESS ANALYTICS IN EXECUTIVE DECISION MAKING

Presentation by:

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A Case Study: The Bakery / Fırın

Presentation agenda

❑Learning Objectives

❑Case Summary

❑Revenue Streams

   ❑Stool Sales

   ❑Other Revenue Streams

❑Data Analysis for Revenue Leaks

   ❑Stool Sales

   ❑Other Revenue Streams

❑Data Analysis for Business Strategy

Learning Objectives

❑ Implementing Data Analytics and Selecting Metrics in the Entertainment Industry

❑ Night Club culture, while entertaining & fun, is not generally known for its love of control. The session's goal is to initially describe the night club business, then how revenue leakage can occur, be controlled with IT, and enhanced w/analytics.

❑ Understand the interrelationship of nightclub operations, cash streams, and their vulnerabilities to develop an accurate risk map.

❑ Develop recommendations including order taking, DJ/lighting/dancer selection, door acceptance policy, and end of night procedures.

❑ Implement critical nightclub IT and Operational Controls.

❑ Analyze cash flows and their enablers to maximize operational profitability and effectively manage risk.

Case Summary

- ❑ Who are we?
- ❑ Why did we do this?
- ❑ Early problems encountered
- ❑ Jury-rigged control mechanisms
- ❑ The Human Factor in control
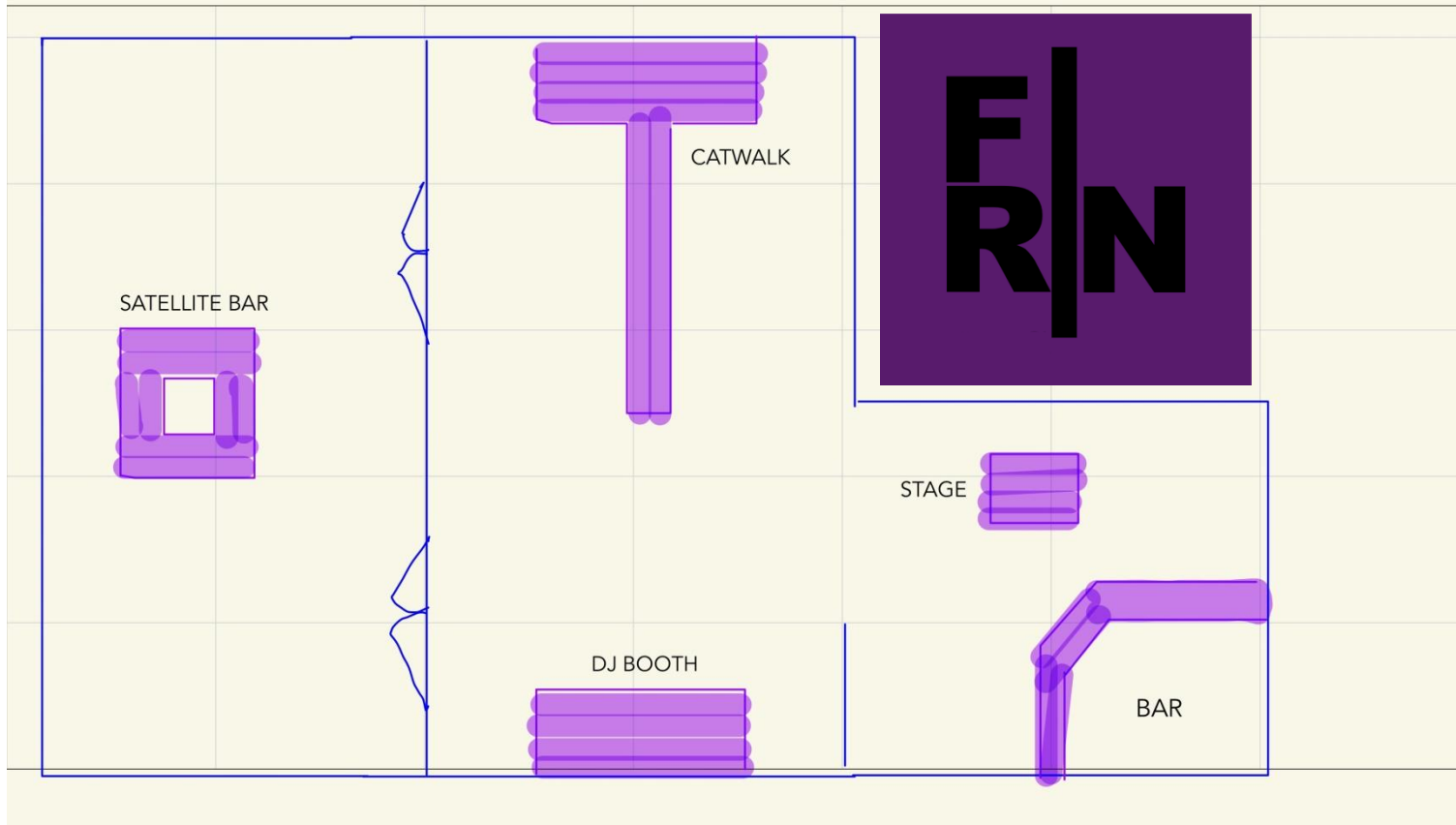- ❑ Develop proper systems
- ❑ Implement proper control

How did we start?

Club Layout

The Bakery / FIRIN

The Reality

Use of Data

Where do we use the data?

- ❑ Identify Revenue Leaks
- ❑ Evaluate Personnel performance
- ❑ Manage inventory
- ❑ Develop Marketing Strategy

Revenue Streams

- Bar
  - Stool sales (main bar versus satellites)
  - Floor sales
  - Box sales
- Ticketing
  - Online sales (early versus late)
  - Door sales
  - Guestlist
- Cloakroom
- Valet/taxi
- Sponsorships

Ordering Process
- Enter order into the system
- Prepare the order
- Serve
- Collect

Identify Revenue Leaks: BAR

Sources of Revenue Leakage

- Overpouring
- Failure to collect
  - Chew & screw: customer leaves
  - Drink & fink: customer objects
- Dropped order
- Own bottle sale
- Owner's drinks

Identify Revenue Leaks: BAR

Sources of Revenue Leakage	Control mechanisms
• Overpouring	Jigger / inventory / eyeballs
• Failure to collect	
• Chew & screw: customer leaves	Put responsibility on waiter / use credit card /payment upon delivery
• Drink & fink: customer objects	Record as a freebie
• Dropped order	Put responsibility on waiter
• Own bottle sale	Theft alert: data analysis
• Owner's drinks	Theft alert: data analysis / nightly reconciliation

Data Analysis to audit Revenue Leaks ...

❑ Data collected:
  ❑ PAX
  ❑ Revenue breakdown (CC v cash)
  ❑ Freebies
  ❑ Owners
  ❑ Discounts
  ❑ Floor personnel sales
  ❑ VIP sales
  ❑ Inventory breakdown

The numbers don't lie

Detaylı Kasa Raporu

İşletme Tarihi : 31.10.2019, Perşembe

01.11.2019 04:19:13

Ciro		
Masa Satışı	17.725.00 TL	100
Paket Satışı	0.00 TL	%
Toplam Satış	**17.725.00 TL**	
İlaveler (+)	0.00 TL	%
İndirimler (-)	135.00 TL	1%
Toplam Ciro	**17.590.00 TL**	
Kdv Hariç Top. Ciro	14.969.85 TL	
Nakit Cari Ödeme	0.00 TL	
Kredi Cari Ödeme	0.00 TL	
Kasa İşlemleri (-)	0.00 TL	
Kasa İşlemleri (+)	0.00 TL	
Kesilen Fiş	0.00 TL	0
Kesilen Fatura	0.00 TL	0
Döviz Üstü Ödeme	0.00 TL	

Toplam Kasa	
Toplam Nakit	5.190.00 TL
Toplam Kredi Kartı	12.400.00 TL
Toplam Döviz	0.00 TL

Dövizler

Adisyon Ödeme Dağılımı	
Nakit	5.190.00 TL
Kredi Kartları	12.400.00 TL
Cari Hesaplar	0.00 TL
Dövizler	0.00 TL

Diğer		
Ödenmez		8.560.00 TL
İkram		0.00 TL
Return		1.475.00 TL
Bahşiş	%	0.00 TL

Cari Hesaplara İşlenenler

İstatistikler	
Adisyon Sayısı (M+P+H)	187
Masa Adisyonu (Tutar>0)	14
Masa Başı Ortalama Gelir	546.79 TL
Kişi Sayısı (Tutar>0)	10
Kişi Başı Ortalama Gelir	765.50 TL
Paket Adisyonu (Tutar>0)	0
Paket Ortalama Gelir	0
Hızlı Adisyonu (Tutar>0)	152
Hızlı Ortalama Gelir	65.36 TL
Ortalama Oturma Süresi	53 dk.
Geçen Hafta	(-4%) 18.293

Garson Satış	
0-(153)	10.040.00 TL
1-GARSON2 . (18)	5.020.00 TL
2-SONER 2 (11)	1.705.00 TL
3-EXTRA1 3 (5)	960.00 TL

Kasa İşlemleri

Fatura Grubu Satış		
İÇECEK BEDELİ (92)	5%	805.00 TL
İÇKİ BEDELİ (481)	95%	16.920.00 TL

Kredi Kartları / Yemek Çekleri / Online	
Kredi Kartı (81)	12.400.00 TL

Ödenmezler	
MUNCH ORG (1)	2.145.00 TL
ÖMÜR BEY (1)	1.970.00 TL
BLOTTO DJ (1)	1.150.00 TL
CHIP ? (1)	965.00 TL
AYK BEY (1)	495.00 TL
BAR PERSONEL ? (1)	480.00 TL
KORAY ERKAYA (1)	320.00 TL
MELIKE ? (1)	310.00 TL
CHIP 2 ? (1)	170.00 TL
HAGOPBEY ? (1)	160.00 TL
HERMAN ? (1)	90.00 TL
IBO 5 (1)	65.00 TL
GÜVENLİK ? (1)	60.00 TL
ALIBEY ? (1)	60.00 TL

İndirimler	
Adisyon No:5	30.00 TL
Adisyon No:59	20.00 TL
Adisyon No:173	20.00 TL
Adisyon No:18	15.00 TL
Adisyon No:49	15.00 TL
Adisyon No:20	10.00 TL
Adisyon No:170	10.00 TL
Adisyon No:92	5.00 TL
Adisyon No:100	5.00 TL
Adisyon No:52	5.00 TL

Fatura Grubu Satış		
İÇECEK BEDELİ (92)	5%	805.00 TL
İÇKİ BEDELİ (481)	95%	16.920.00 TL

Data Analysis to audit Revenue Leaks ...

- ❑ Key Risk Indicators ("KRI")
    - ❑ Rev/PAX (weekly/weekend)
    - ❑ CC v cash
    - ❑ Owner v customer sales
    - ❑ Discounted v full price sales
    - ❑ Rev/Personnel
    - ❑ VIP (historical)
    - ❑ Inventory sales (historical)

The numbers don't lie

Date	Pax	Cash revenues (no discount)	Credit card revenues (no discount)	Cash to CC ratio		Gross revenue (incl uncollectibles)	Net revenue (w/VAT, w/o uncollectibles)	Net revenue (w/o VAT and uncollectibles)	Revenue per PAX (with VAT)	Serving per PAX	Cash and CC revenues at discounted rates	Ratio of discounts to total revenue	Not collected	Ratio of not collected to total revenue
Friday, September 28, 2018	320	6,232	15,423	1:	2.5	25,641	21,656	18,342	68	1.35	1,326	6%	3,985	18%
Saturday, September 29, 2018	45	1,070	2,788	1:	2.6	3,977	3,857	3,267	86	1.71	430	11%	120	3%
Wednesday, October 3, 2018	210	3,575	7,975	1:	2.2	11,550	11,550	9,783	55	1.10	755	7%	0	0%
Friday, October 5, 2018	44	878	2,588	1:	2.9	3,606	3,466	2,936	79	1.58	2,686	77%	140	4%
Saturday, October 6, 2018	187	4,145	11,491	1:	2.8	17,019	15,636	13,244	84	1.67	867	6%	1,383	9%
Friday, October 12, 2018	18	1,026	1,140	1:	1.1	2,405	2,165	1,834	120	2.41	1,225	57%	240	11%
Saturday, October 13, 2018	147	3,812	6,928	1:	1.8	11,400	10,740	9,096	73	1.46	2,021	19%	660	6%
Friday, October 19, 2018	276	7,330	11,203	1:	1.5	19,298	18,533	15,697	67	1.34	3,848	21%	765	4%
Saturday, October 20, 2018	20	1,720	2,057	1:	1.2	4,589	3,777	3,199	189	3.78	925	24%	812	21%
Friday, October 26, 2018	172	6,040	13,008	1:	2.2	22,483	19,048	16,134	111	2.21	407	2%	3,435	18%
Saturday, October 27, 2018	227	6,308	14,005	1:	2.2	23,956	20,313	17,205	89	1.79	2,846	14%	3,643	18%
Friday, November 2, 2018	78	1,173	3,600	1:	3.1	5,978	4,773	4,043	61	1.22	1,347	28%	1,205	25%
Saturday, November 3, 2018	590	14,725	30,880	1:	2.1	46,825	45,605	38,627	77	1.55	875	2%	1,220	3%
Friday, November 9, 2018	54	2,335	2,825	1:	1.2	5,160	5,160	4,371	96	1.91	0	0%	0	0%
Saturday, November 10, 2018	119	2,120	8,605	1:	4.1	11,155	10,725	9,084	90	1.80	560	5%	430	4%
Friday, November 16, 2018	450	9,184	24,356	1:	2.7	34,659	33,539	28,408	75	1.49	195	1%	1,120	3%
Saturday, November 17, 2018	170	3,176	6,925	1:	2.2	10,101	10,101	8,556	59	1.19	229	2%	0	0%
Friday, November 23, 2018	135	2,460	7,996	1:	3.3	10,455	10,455	8,855	77	1.55	0	0%	0	0%

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Data Analysis to control Revenue Leaks …

Sources of Revenue Leakage
Ticketing
• Online
• Door
Cloakroom
Valet/taxi
Sponsorships

Data Analysis to control Revenue Leaks ...

Sources of Revenue Leakage	How to control/audit?
Ticketing	
• Online	Outsourced – rely on seller data
• Door	Eyeballing / counter / second counter
Cloakroom	Different double tab ticket stub every day
Valet/taxi	Leave to security in exchange for a break in doormen/security fees – set maximum prices
Sponsorships	Compare with other clubs / maintain friendship with promoters/sales

Data Analysis for business strategy

Data analyzed (Revenues, PAX, Profitability, Costs…)	Decisions affected by the analysis
• weekday versus weekend • Special events versus normal days	• Focus on special events? • Accept group bookings at discounts? • DJ qualities
The Bar is a fixed cost production facility with a limited capacity. Momentary demand spikes or slumps are problematic. They need to be managed…	
• Drinks over time • Effect of Drugs (other than the fact that they are illegal in Turkey) • Effect of already drunk customers	• Dancer • DJ upping performance • Lights (blue v red) • Toys (pinball, pool) • One on one entertainment • Other

Data Analysis for business strategy

Data analyzed	Decisions affected by the analysis
• Inventory sold	• Set drink prices • Decide on drink varieties
• Social media sales data • Customer feedback	• Cost adjustments (security, number of bartenders, etc.) • Inventory
Our aim is to engage the customers and to make them stay…	

And now...

Firin Movie for Presentation