

5 Top Tips For Hospitality Profits based on my own Restaurant & 155ha Tourist Resort

Most hospitality business owners are leaving money on the table that could be in their pockets! 80% of their marketable business assets are wasted. The biggest killer is making faulty assumptions about what works and what doesn't, when it comes to making more money now and in the future.



#1: Increase Prices

How much is bread? How much is milk? Most people only have an approximate idea and yet people buy it everyday... about \$2, \$3, \$4? So why are hospitality business owners so "sensitive" about prices, thinking customers will suddenly notice and move away in droves?

This is a faulty assumption and it's the 1st thing I do when buying or coaching a business.

ACTION: Collect all your competition's menus (10-20) and lay them all out on a table. Create an excel spreadsheet and enter all the common items from each menu and their prices. Now, see where your's fits in. If you are not in the top 3 of the most expensive then put your prices up 10% and then another 10% every 3 months until you are (this is not going to work if your product/service is crap!) One client did this and made an extra (sustainable) \$3,000 a week net!



#2: Up-sell & Cross-sell

Statistics say 30-60% of customers can be easily upsold and that's money for jam! While customers are in the "buying trance" you must appeal to their emotional right brain (not the logical left brain like most waiters do which kills the buying trance).

Also, if you do breakfast, lunch, dinner, etc. Then you have an enormous opportunity to cross-sell from one time to the other (and to special events).

ACTION: 1. Say things like, "Extra cheese/prawns on that?" or "Would you like to share/treat yourself to a (x)?" (raise your voice pitch on cheese/prawns/share/treat).

2. Create a discount coupon that says, because you are valued (insert brekky, lunch etc.) customer here's a BIG1 (that's buy 1 get 1 or 20% off or whatever) (other time e.g. dinner) for you. The important to establish regular buying patterns & build your database.

#3: Promotions & Press Releases



Getting more new customers is ALL about promotions, promotions, promotions AND press releases. I have never written a press-release that hasn't been published in the newspaper. It's so easy to do and gets more attention than adverts (and it's free).

I trucked in an elephant to open an Indian restaurant and got my client in the news on 2 TV stations, 2 Radio stations, and the Front Page of 2 Newspapers. I've run promotions for winning a 1 carat diamond, guess how many grains of rice are in a container. I did a promotion for a Thai restaurant to win a 1 week holiday in Thailand for 2 people, and we collected over 3,000 email addresses.

ACTION: The outcome of all your promotions is to build your database, then email them every 2 weeks for the rest of their life! But, the ratio of educational info to a sales-offer must be 5:1 or more.

#4: The 80/20 Rule



The Pareto Principal says that 20% of anything produces 80% of the results. That means 20% of your products are making 80% of the sales and 20% are making 80% of your profits.

ACTION: Train your staff to "directionalise" sell the 20% of products that make 80% of your profits (instead of just doing anything). If you do the maths, then profits will increase substantially.

Also, put your highest profit items in the top 2-3 and bottom 2-3 places on your menu as people make decisions on the first and last thing they read. Lastly, understand "incremental sales". Once your expenses are all paid for, that is over breakeven, then any sales above that only incur "cost of product" expenses. That means for every \$100 in sales, about \$60 is pure profit. Use this to buy customers with promotions to build your database and increase buying frequency with the emails.

#5: Your NEXT STEP...



If you would like more info on these tips or find out how to eliminate what's stopping you from making more money now and in the future.

I have a limited number of complimentary 10-Minute 1on1 phone Velocity (Speed & Focus) Sessions to help you. I won't be selling anything, they're fast-paced, straight to the point, and full of value.

Click on the button to select a date/time to suit you >>>>

Be BIG, BOLD & WOW! JT.

Small Disclaimer: These things worked for me but may not work for you. It's not what you do but how you do it. You must always test in the smallest way possible to reduce the risk. -JT.

