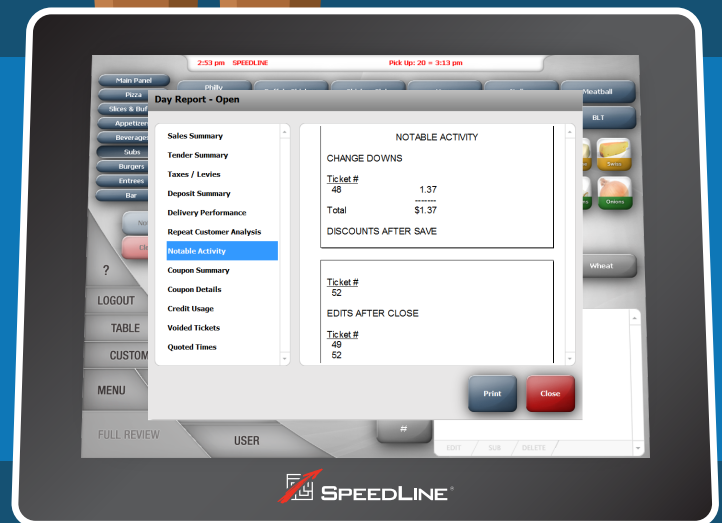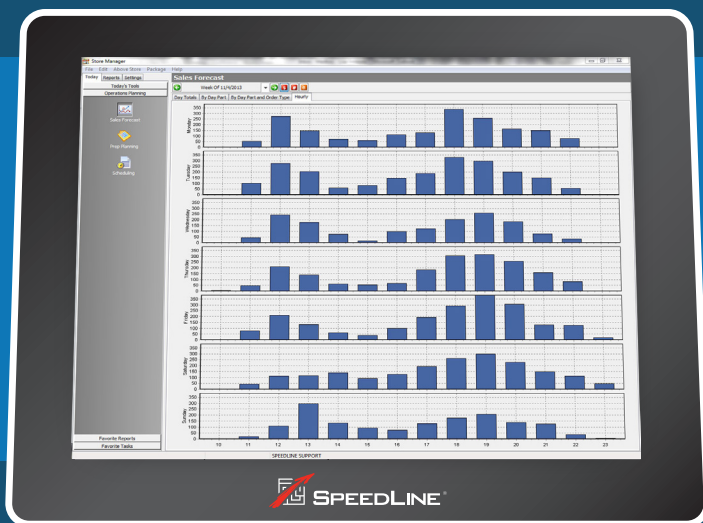# Labor Savings:
It's About Time

Restaurants have notoriously high labor costs, but it can often be even worse as a pizzeria. According to the accounting firm BDO, pizzerias experience an average labor cost of 30-31% of their revenue. This number could be closer to 35% or higher for fairly new pizzerias. But it doesn't have to be this way.

Rather than losing nearly a third of your revenue to labor, you can use these proven methods for reducing labor costs.

1. Use Automated Sales Forecasting

It's no secret that sales numbers and labor costs go hand in hand. The more you sell, the more employees you need to input the orders, make the food, and deliver the food (to a customer's door or table). So by using sales forecasting tools, you can improve your scheduling efficiency.

When you're stuck manually forecasting your sales by reviewing previous report data, you're spending hours doing something that could be done in a few simple clicks when using the right POS. A good POS system will have a scheduling tool built into it that will look at your past sales data, and then generate ideal labor targets for each day in the upcoming week.

If you attempt to schedule too many staff members on a certain day, putting you over your labor target, the system will alert you. This ensures you're not paying people hundreds or thousands of dollars each month to stand around.

Even better, the system also factors in overhead such as social security taxes, unemployment contributions, worker's compensation insurance, and employee benefits, whenever calculating your labor costs.
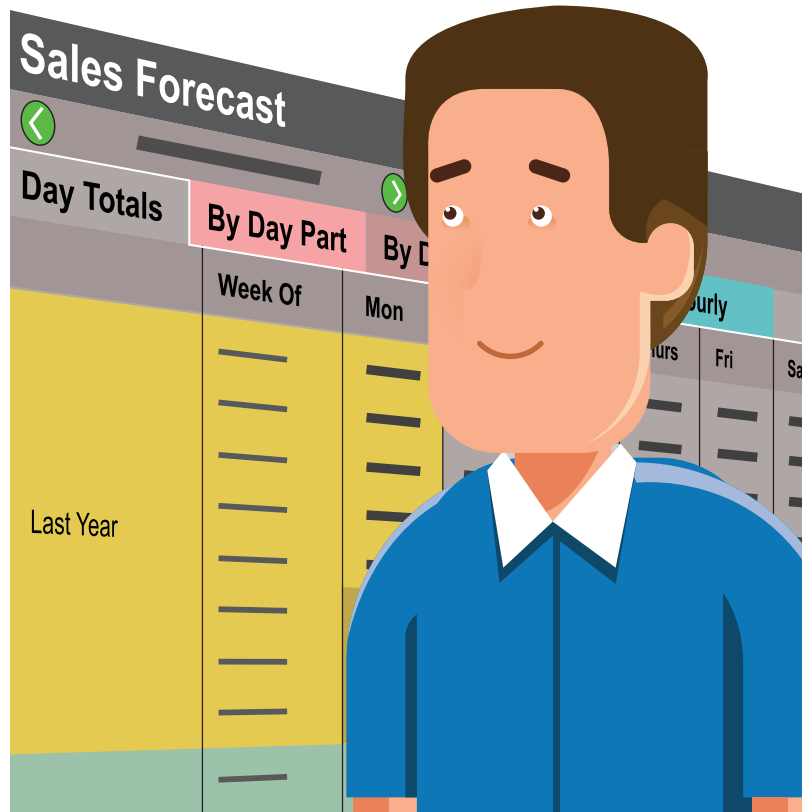
2. Breakdown Labor By Day Parts and Order Types

The more detailed your labor target forecasting is, the more accurately you can schedule employees. An automated scheduling system like SpeedLine is able to separate the lunch rush from the dinner rush, giving you an ideal employee count for various parts of the day.

SpeedLine can also tell you what types of employees you need, thanks to its ability to forecast by order type. You'll receive a detailed report predicting what percentage of your daily orders will come from dine-in, carryout, and delivery. This is ideal for scheduling your delivery drivers and servers (assuming you have in-house seating and delivery).

By Day Part	By Day Part and Order Type		Hourly
Week Of	**Day Part**	**Delivery**	**Pick up**
This Week	Lunch	148	241
	Dinner	266	575
	Lunch	164	286

Labor Savings: It's About Time

3. Use Your POS to Track Staff Availability

Making your scheduling efficient involves more than just knowing when someone's preferred hours are. You also need to know when they are on vacation, if they're approaching overtime for the week, or if an employee has restrictions on when they can work (i.e., hour caps for minor employees).

The software intakes all of this information and then compiles it into a drag-and-drop interface that is easy to use. In one click, you can access employee jobs and days off, allowing you to build out a schedule for the entire week in only a few minutes. An efficient schedule not only improves your life, but also the lives of all your employees.

Speedy Tip

If your restaurant is located in Alaska, California, Colorado, or Nevada, then overtime pay may be required if an employee works over a certain number of hours in a single day or a certain number of days in a single week. Other states normally only require you to pay overtime after 40 hours in a single week.

4. Use Fingerprint Clock-In and Clock-Out Controls

There are a million different ways that employees can steal from you, but one of the most common is time theft. This involves employees either intentionally or unintentionally altering their clock-in and clock-out times to get paid more than they should.

One of the most common tactics that employees use to do this is something called "buddy punching." This is where one employee will punch in for another employee who hasn't yet arrived. It's a problem that costs U.S. businesses $373 million each year, according to the tax-filing company Intuit.

Speedy Tip

Intuit reports that 16% of employees have participated in buddy punching at least once.

Having a built-in time clock in your POS allows you to set a time clock window: the number of minutes your employees can clock in or out before and after their shifts. If an employee attempts to clock in or out outside of this window, you can require a manager's override. This prevents chronic lateness or unauthorized overtime.

SpeedLine saves the original shift information and records all time clock edits and who made them, so that you can monitor shift changes closely. Reviewing reports for suspicious activity can help you identify employees who are padding the clock on your dollar.

To specifically address the problem of buddy punching, equip your POS with fingerprint sensors. You can make a manager's fingerprint required to authorize certain functions, such as voids or overtime. And you can also hold people responsible for their own cash drawers and track every transaction to the person responsible.

5. Cross-Train for Maximum Efficiency

Instead of having employees specialize in only certain tasks in your restaurant, use cross-training to reduce your labor costs. Drivers can stretch dough, servers mix drinks, dishwashers take orders. Productivity increases, employees expand their skill sets, and you're better prepared to meet an unexpected rush if everyone can pitch in. Plus, someone calling in sick is no longer going to cripple your restaurant.

Employees who are cross-trained often stay at their jobs longer because they do not become bored or burnt out. The result is reduced turnover, which means that you spend less time and money hiring new people. And when you can man the store with less staff, you can afford to pay cross-trained employees a better wage, making it less likely they'll bail out on you for a better paying job elsewhere.
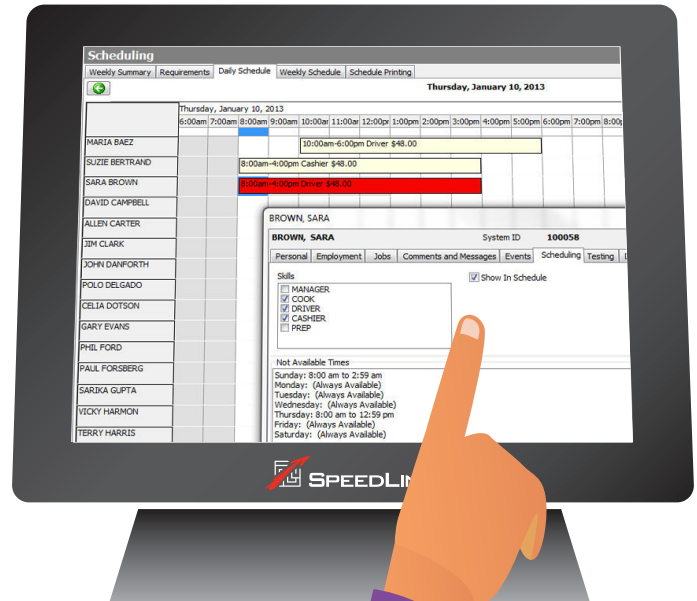
Using SpeedLine's scheduling system, you can apply different pay scales for different skill sets. This means you can schedule an employee for three hours as a driver and four as a cook, and the system will track the correct pay rate applied to each position. And it's easy to export your time clock data for fast, accurate payroll.

Find Out More:

1-888-400-9185 | info@speedlinesolutions.com

www.speedlinesolutions.com