

THE SEVEN NUMBERS THAT RUN YOUR BUSINESS

Knowledge series Profitability & KPIs · volume 1 of 3



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Seven numbers are enough to steer a hospitality business. This volume explains what each one means, how to work it out and when it is time to act. All examples come from a model restaurant adjusted to the price level in Ireland.

Why gut feeling is no longer enough

Labour, energy and food costs have risen faster in recent years than many businesses have adjusted their prices. If you only see your numbers once a year with your accountant, you notice losses too late. These figures show how the conditions in your country have changed:

Figure in Ireland	Value	Source
Statutory minimum wage per hour, 2026	€14.15	[1]
VAT on food served / drinks	9% / 13.5% · 23%	[2]
Restaurant prices, 2019 to 2025	+ 28.1%	[3]

The model restaurant

A restaurant with 60 seats, open 26 days a month, serving 1,875 guests a month. Average net spend per guest is €37.00, monthly revenue €69,375. Fixed costs are €44,330 a month, of which €29,100 is labour.

The seven numbers

#	Figure	Calculation	Model	Practice value · verdict
1	Net spend per guest	net revenue ÷ guests	€37.00	watch the trend
2	Food and beverage cost	cost of goods ÷ net revenue	30%	25–32% · on track
3	Labour cost ratio	labour cost ÷ net revenue	42%	30–38% · act now
4	Prime cost	goods + labour	72%	max. 65% · act now
5	Contribution per guest	spend per guest – goods	€25.90	covers fixed costs
6	Break-even point	fixed costs ÷ contribution	66 guests/day	actual: 72 guests/day
7	Margin of safety	1 – break-even ÷ guests	9%	at least 15% · act now

Bauch Food Concept practice values for a classic à la carte restaurant. Cafés, quick service, hotels and contract catering have different ranges; see “Understanding hospitality economics”.

What the numbers say about the model restaurant

The business makes money, but only just: the result is €4,232 a month, 6.1% of revenue. Goods and labour together take 72% of revenue, and that is the real weak point. A margin of safety of 9% means that if 9% fewer guests come, the profit is gone. One rainy month is enough.

Lever	Effect on monthly result
Raise prices by 5%	+ €3,469
5% more guests	+ €2,428
Cut labour cost by 5%	+ €1,455
Cut cost of goods by 2 percentage points	+ €1,388

The key insight

A moderate price rise works almost twice as hard as more guests, because it costs neither goods nor labour time. Check prices first, before you spend on marketing for more guests.

How to start this month

- ☐ 01 Take last month's net revenue and guest count from the till
That gives you figure 1.
- ☐ 02 Read cost of goods and labour cost from your monthly accounts
Labour cost including employer contributions. The statutory minimum wage of €14.15 per hour is only the floor for gross pay [1].
- ☐ 03 Add up one month of fixed costs
Rent, energy, insurance, leases, depreciation, administration, salaries.
- ☐ 04 Enter the seven figures in the table above
Mark every figure outside the practice value.
- ☐ 05 Pick one figure and work on it for a month
Not everything at once. It is usually prime cost or price.

Your knowledge series

This guide is the first of three volumes on **Profitability & KPIs**. Each volume builds on the one before: from understanding to applying to strategy.

Vol.	Title	Stage	Status
1	The seven numbers that run your business	Foundations	You are reading it · free
2	The monthly cockpit: read the numbers, act early	Deep dive	January 2027 · in the membership or €39 on its own
3	Plan, don't react: budget, scenarios and pricing strategy	Masterclass	April 2028 · in the membership or €59 on its own

Coming in volume 2: The monthly cockpit: read the numbers, act early

- ☐ 01 A one-page monthly cockpit you can complete in 20 minutes
- ☐ 02 Reading variances correctly: price, volume, mix or waste
- ☐ 03 Early warning signs before cash runs short

Volume 3, Plan, don't react: budget, scenarios and pricing strategy: Annual budget, three scenarios and a pricing strategy that anticipates rising costs.

The membership: new know-how every month

Month in the quarter	What you receive
1	A new volume, deep dive or masterclass, with charts, worked examples and, for volume 3, an Excel tool
2	Practice sheet: a tool, calculation or checklist for the current volume, ready to use
3	A case from practice plus your country's latest figures: minimum wage, tax rates, cost trends

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Sources

[1]

WageIndicator: national minimum wage in Ireland from 1 January 2026.

[2]

vatupdate.com: Ireland 9% VAT on food services from 1 July 2026 (25 July 2026).

[3]

Eurostat: Harmonised Index of Consumer Prices, restaurants, cafés and the like (prc_hicp_aind, CP1111), annual averages 2019 and 2025.

Bauch Food Concept practice values are labelled as such. They are guide values from consulting practice, not official limits. Worked examples use model figures adjusted to the local price level. All information without guarantee, as of October 2026. Statutory values may change. For tax and legal questions, please consult your tax adviser or lawyer.