

# How TouchBistro Helps a Full Service New York Restaurant Lower Their Cost of Goods Sold

## MeMe's Diner: Restaurant Stats

**STARTED IN**

2017

**FOOD TYPE**

Modern American comfort food

**SIZE**

40 seats

**LOCATION**

Brooklyn, NY

**VENUE TYPE**

Neighborhood full service restaurant, serving dinner and brunch

**LICENSE TYPE**

Dual (2 iPads)

**PROBLEM**

High cost of goods sold (COGs) for non-alcoholic beverages

**SOLUTION**

TouchBistro cloud reporting – sales by category and menu item

**OUTCOME**

Decreased non-alcoholic beverage COGs rate by 6%

“TouchBistro is a simple, stream-lined POS system. It’s user-friendly, intuitive, and provides easy-to-use reporting in the back end. Cloud reporting makes it easy for our accounting team to get in and pull reports on their side, and the snapshot reports let me easily see where we are in the middle of service.”

## Searching for the Right POS

First-time restaurant owners Libby Willis and Bill Clark opened their first restaurant, MeMe's Diner, in November of 2017. Since then, the Brooklyn restaurant – named after Bill's grandmother – has thrived in the neighborhood. Priding themselves on “familiar food prepared thoughtfully,” they have a menu full of delicious options like stovetop mac and cheese, meatloaf, and zucchini cake with pistachio buttercream.

Before opening their doors, Libby and Bill looked for the right point of sale that would meet their needs. Most of their peers in the industry had moved away from expensive, complicated legacy POS systems, so they decided to do the same. “Once we found TouchBistro, we were pretty sold on it,” says Bill, mentioning how the iPad POS checked off all their top priorities: cost-effective, user-friendly, and something with easy-to-use reporting.



## Seeing COGs Rise Above Industry Standards

Bill goes through the restaurant's sales reports weekly to make sure they're on track, looking at daily sales, costs of goods sold (COGs), and the ten best and ten worst selling items on the menu. "We try to change our dinner menu every six to eight weeks," says Bill, "so it's always interesting to see what off the new menu is selling well."

While looking at these reports one week, Bill noticed that the COGs rate for the non-alcoholic beverages menu category was coming in at 24% to 26% of total sales, depending on the week – much higher than industry standards, which range from 15% to 20%.

## Determining the Root Problem

Using TouchBistro cloud reporting to break down the menu category report by individual menu item, and an external inventory program, Bill was able to identify the three main beverages that were contributing to the higher category average.

## Adjusting One Menu Category at a Time

By increasing prices slightly for these three items, tweaking the way they ordered from vendors, and adjusting the volume of inventory they kept on hand, Bill decreased their non-alcoholic COGs rate by 6%.

Did customers object to the minor price increase? "Not a single person said a thing," says Bill.

Plus, the experience of reducing COGs for one menu category gave Bill the blueprint he can use to repeat the process with other categories. "Looking at menu costs as a whole, breaking them down, fixing them piece by piece, and working generally to get all of our costs down and decrease all of these percentages – that's going to give us a healthier bottom line overall."

**And TouchBistro reports are a crucial part of the process.**

