PLAYBOOK WORKING DRAFT

<u>Bill Checklist</u>

<u>4 main things Still needed -</u>

-**Stories** Overall, we would like **at least 1 story** from your experience per step, to make this playbook more personnel and drive home that this is your expertise.
-**Heat map formulas, (step 1)** Did I get this right?
-**Pricing and Upselling formulas** (Step 3) Did I get this right? Do you want to change it?
-**Franchisee performance metrics** (Step 4) Did I get this right?
-**Benchmark reporting** (Step 4) – did I get this right? What would you change

Rebecca Checklist

-Need to get some info. Still from Andy Lynch and Kevin
-Need to do a fresh pass of edits, paying attention to flow, transitions, and looking out for
-repetition/over wordy sections.
& Prob 10 other things I can't think of right now.

What is this Playbook?

Bill Mitchell's five-step R.A.I.S.E. Method playbook equips CEOs of multi-unit restaurant brands to leverage technology to increase profitability and build a culture of consistent excellence across all locations.

How Will it Be Presented?

A concise, hands-on mini-book (30–40 pages) designed to provide actionable strategies, with a more extensive version planned for future release.

Who is it For?

Quick-service and fast-casual restaurant chains with 20+ locations. The initial target audience includes brands like Cottage Inn Pizza, a 60-unit franchise.

What's the Goal?

To provide restaurant CEOs with actionable strategies to increase profitability and build a culture of consistent excellence across all locations. Along the way, the playbook positions HungerRush and Bill Mitchell as trusted partners for scaling success.

TITLE PAGE

(HungerRush Logo)

The R.A.I.S.E Method

The Restaurant CEO's Tech Playbook

Raise profits and create a culture of consistent excellence across all locations.

Bill Mitchell's 5-Step Tech Playbook for Multi-Unit Restaurant Brands

By Bill Mitchell
Former President of Papa John's International, Former President of Dunkin' International,
and current Chairman of the Board at HungerRush

Abstract

(Abstract written in 3rd person and explains what playbook it is about and why matters)

You've built a successful multi-location restaurant business, or you're leading one that's been thriving for years. Now comes the hard part—sustaining and growing that business into a brand that lasts for decades to come. In today's competitive landscape, you're facing mounting challenges: high labor costs, rising food prices, shrinking profit

margins, and the ever-growing struggle to retain guest loyalty as customers have more and more options.

You may even have strategies to maximize margins and scale your concept to new locations and products, but you know they are useless unless you can create a culture of accountability and an obsession with guest experience.

Successful CEOs recognize that the right technology not only streamlines daily business operations but also becomes the foundation to promote a culture of accountability and outstanding guest experiences.

That means that without the right technology, the potential harm to your business is not limited to lost profits due to operational gaps. It also leads to low employee morale, lost trust in leadership and company values, low accountability, and ultimately, poor customer experiences.

Based on insights from Bill Mitchell, former President of Papa John's International and former President of Dunkin' International, this playbook introduces the **R.A.I.S.E. Method**, a proven framework designed to help you increase profits and create a culture of excellence across all locations.

These five steps, the same ones used by some of the biggest fast casual franchises in the world, show you how to leverage restaurant technology to build a scalable and lasting brand while delivering consistently excellent service at every location.

The R.A.I.S.E. Method

Bill Mitchell's 5 Step Tech Playbook will guide you through:

Step 1: Review franchisee network performance and identify gaps

Step 2 – Align and optimize guest experience across all locations

Step 3: Improve menu pricing and upselling strategies to maximize profitability.

Step 4 – Strengthen Brand Consistency, Performance, and Accountability.

Step 5 - Empower and Mentor Leaders to Build a Culture of Excellence

The Result?

By the end of this playbook, you'll have the tech framework and strategies you need to leverage your tech to **1. Maximize profitability and 2. Create a culture of consistently excellent service across all locations as you grow.**

Back of Book

(Placeholder copy until I can sync with Bill on what Intro he would like to have me write)

From the Author

Reflecting on my journey through the restaurant industry, from leading Papa John's International to overseeing Dunkin' Brands' global operations, I've learned that success hinges on a steadfast commitment to a customer-first mindset.

Guest experience is the heartbeat of any successful franchise. Yet, franchise leaders today face complex challenges: high labor costs, rising food prices, shrinking profit margins, and the ongoing struggle to retain guest loyalty as customers are presented with more dining options than ever before.

Modern restaurant technology allows us to improve the guest experience at every single touchpoint—from seamless online ordering to quick delivery and automatic remarketing campaigns with personalized coupons that encourage repeat visits.

This 4-step tech playbook, built around the **R.A.I.S.E. Method**, will help you maximize your profits by improving efficiency, integrating innovative strategies, and streamlining operations. Most importantly, it ensures guests experience excellence at every location.

The result? A resilient restaurant brand set up for exponential growth for decades to come.

About The Author + Photo of Bill Mitchell
**Insert bio here*

About HungerRush
**Insert about Hungerrush here*

Step 1: Review Franchisee Network Performance and Identify Gaps

Before you dive into Step 1, let's address the reality you're likely facing. Managing a franchise network often feels like managing a collection of separate businesses. Profit margins are under pressure, labor costs are unpredictable, and guest experiences can vary greatly from one location to another. Rising food prices and increasing competition make it even harder to ensure consistency and build lasting guest loyalty.

To complicate matters further, some franchisees may be using different POS systems—or outdated systems that struggle to meet the growing demands of your business. This lack of alignment can result in inconsistent reporting, operational inefficiencies, and missed opportunities to scale what's working. Without clear, actionable data, it becomes difficult to pinpoint problems—or replicate success.

I've been there. You want to increase profitability and create consistency across your brand, but that's easier said than done. So where do you start?

Step 1 is all about gaining clarity in your franchise network. We'll talk about how identify your top-performing locations, pinpoint inefficacies, and assess menu performance. This is the foundation for ensuring your franchise is equipped to scale profitably and consistently in the long run.

Over the years, I've found that gathering this data isn't just about plugging numbers into a report—it's about taking a step back and asking the right questions. Why is one location thriving while another struggles? Are there leadership gaps, operational bottlenecks, or opportunities that aren't being capitalized on?

Your POS system is critical for providing actionable data, and the steps ahead will show you how to leverage it effectively.

A. Identify Your All-Star Locations in Your Franchise Network

Not all locations perform equally, and that's expected. The goal is to identify top-performing franchises—those excelling in revenue, labor efficiency, or customer satisfaction—and replicate their success system-wide.

I. Collect the Right Data

You can't manage what you don't measure. To get a clear picture of your franchise landscape, focus on the metrics that really matter:

- **Gross Sales:** Who's driving revenue and who's falling behind?
- **Labor Costs as a Percentage of Sales:** Are you staying within the 20–25% target range, or is inefficiency creeping in?
- **Food Costs (COGS):** Is portion control and waste management where it should be (25–30% of revenue)?
- **Customer Satisfaction Scores (CSAT/NPS):** What's the feedback on guest experience at each location?
- **Revenue Per Square Foot:** Which locations are using their space most effectively?

Pull this data from your existing tools, accounting software, or feedback systems. If your franchise network is disorganized, start small—gathering just 4–5 benchmarks across all locations will still reveal a lot.

II. Analyze and Rank Locations

Now, it's time to turn your data into insights. Create a ranking system to categorize your locations into three groups:

1. **Top Performers:** These locations consistently exceed expectations in revenue, guest loyalty, and operational efficiency.
2. **Middle of the Pack:** Solid locations that could level up with some targeted improvements.

3. **Underperformers:** Struggling locations that need immediate attention.

This ranking system gives you a high-level view of where to focus your energy.

III. Conduct Site Audits for Context

Numbers don't tell the whole story. Visit locations in each category to dig deeper:

- **Top Performers:** What's their secret sauce? Are they excelling because of leadership, guest experience, or something else?
- **Underperformers:** What's the root issue? Is it a leadership gap, training problems, or operational inefficiencies?

These site visits help you contextualize the data, ensuring your action plan is based on the full picture.

How Long Should This Take?

With a Centralized POS System:

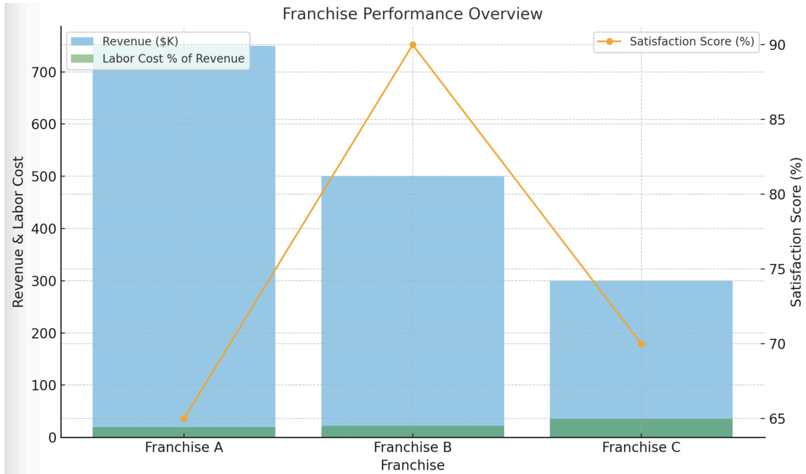
If your franchise uses a centralized POS, data collection and analysis become much faster. Pulling benchmarks like gross sales, labor costs, food costs, and customer satisfaction scores from a single source means you can have a clear picture of all your locations within **2–3 weeks**. Site audits and ranking can then be completed in another **3–4 weeks**, bringing the total timeline to around **6 weeks**.

Without a Centralized POS System:

Without a centralized POS, the process is more manual and time-intensive. You'll need to collect data from individual POS systems, spreadsheets, or even paper records. This can extend data collection to **4–6 weeks**, depending on the size and organization of your franchise. Adding site audits and analysis means the total process could take up to **8–10 weeks**.

The Story Your Data Tells You

- **Franchise A**: High revenue but poor satisfaction scores? This location could benefit from staff retraining to better align with customer expectations.
- **Franchise B**: High satisfaction but lower sales? Look into marketing or upselling opportunities to capitalize on guest loyalty.
- **Franchise C**: High labor costs and low revenue? It's time to streamline scheduling and review peak-hour staffing levels.



B. Assess Menu Performance and Re-Evaluate Your Regional and National Menus

Once you've gained clarity on how each location is performing operationally, it's time to dig deeper into another critical driver of profitability—your menu. By analyzing menu performance across locations, you can uncover hidden opportunities and identify items that need optimization to maximize contribution margins and revenue.

Profitability is often hiding in plain sight, waiting to be unlocked by the right strategy. At Dunkin', we realized that while donuts were a staple, they weren't enough to sustain long-term growth. With the help of POS system reporting, we re-evaluated our menus and identified coffee as a high-margin opportunity.

Coffee initially made up for less than **40% of gross sales.** After repositioning it as the centerpiece of our offerings and fine-tuning our operations, it grew to account for over **60%** of revenue. This shift not only boosted gross sales, but significantly improved profitability.

The pizza industry has a similar dynamic. Looking at margins isn't enough—you need to analyze profit contribution by volume across all locations. For example, a specialty pizza with a 70% margin but low sales volume in suburban markets could become a top performer with localized marketing or pricing adjustments. Guide to Creating and Using a Profitability Heat Map for Restaurant Franchises

The pizza industry provides a perfect example: high-margin items with low sales or low-margin items with high sales can offer untapped potential.

The Value of Profitability Heat Maps for Restaurant CEOs

You likely already recognize patterns and trends across your franchise network. But even with that experience, decentralized POS systems or inconsistent data reporting can obscure crucial profit insights. Without a clear framework, it's easy to miss how specific menu items perform regionally or where operational inefficiencies erode margins.

A profitability heat map is a game-changer for franchise leaders, consolidating key metrics like sales volume, contribution margin, profit, and revenue contribution into a clear, actionable visual. It goes beyond highlighting system-wide trends and helps to uncover localized insights—like why a high-margin item thrives in one region but struggles in another.

For CEOs managing complex networks, this tool is essential for aligning strategy with data, pinpointing optimization opportunities, and driving profitability across all locations. Here's how to make it work for your restaurant business:

How to Create an Effective Heat Map

Consolidate Menu Data Across All Locations

- **What to Gather:** Sales volume, profit contribution, revenue contribution, and contribution margin for each menu item. **See formulas below.*
- **How to Do It:** Use your POS system to export data for all locations. Apply weighted averages for metrics like contribution margin to avoid overrepresentation by larger locations.

Segment Menu Data for Deeper Insights (Optional)

- **Regional Analysis:** Break down data by region or location if performance differs significantly (e.g., urban vs. suburban trends).
- **Example Use:** A specialty pizza with a 70% margin but low suburban sales could become a top performer with localized pricing or marketing strategies.

Ensure Data Accuracy

- **Normalization:** Standardize data from multiple POS systems or manual records.
- **Validation:** Cross-check against inventory and labor reports to identify discrepancies.

Points of Menu Data to Gather for Heat Maps

***Talk to Andy Reporting PM*

1. **Contribution Margin (CM)**
    a. **Source:** POS system for selling price; inventory system for COGS.
    b. **Calculation:**

    $$\text{CM} = \frac{\text{Selling Price - COGS}}{\text{Selling Price}} \times 100$$

    Source: POS system sales reports filtered by menu item.
    c. **How to Extract:** Use the dashboard or export detailed reports.

2. **Sales Volume**
    Source: POS system sales reports filtered by menu item.
    How to Extract: Use the dashboard or export detailed reports.

3. **Revenue Contribution**
    a. **Source:** POS system for total revenue by menu item and overall location revenue.
    b. **Calculation:**

    $$\text{Revenue Contribution (\%)} = \frac{\text{Item Revenue}}{\text{Total Revenue}} \times 100$$

    Source: POS system for sales volume and selling prices; accounting for COGS.

4. **Profit Contribution**
    a. **Source:** POS system for sales volume and selling prices; accounting for COGS.
    b. **Calculation:**

    $$\text{Profit Contribution} = (\text{Selling Price - COGS}) \times \text{Units Sold}$$

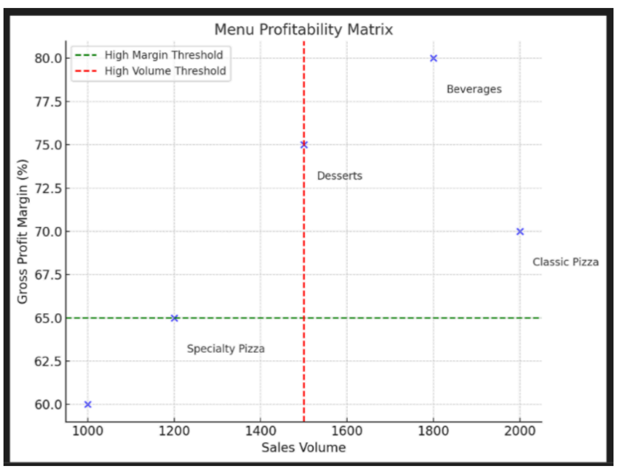
5. **Popularity vs. Profitability**
    a. **Source:** Combine sales volume and profit contribution data.
    b. **Visualization:** Create a scatter plot:
        - **X-Axis:** Sales Volume.
        - **Y-Axis:** Contribution Margin or Profit Contribution.
        - Highlight focus areas like high-volume/low-margin or low-volume/high-margin items.

Now Generate the Profitability Heat Map

Integrate all metrics into a single visualization using your preferred tool (POS analytics, spreadsheets, or third-party software). A well-designed profitability heat map will reveal hidden opportunities and enable smarter decision-making to maximize franchise profitability.

1. **Combine Metrics:** Include sales volume, profit contribution, revenue contribution, and contribution margin.
2. **Visualize Data:** Create a grid or scatter plot that categorizes menu items based on:
   a. X-Axis: Sales Volume (Popularity).
   b. Y-Axis: Profit Contribution or Contribution Margin (Profitability).
3. **Tools:** Use analytics tools or software with built-in heat map functionality, or design one manually in a spreadsheet or dashboard.

***INSERT EXAMPLE OF HEAT MAP



When it comes to profitability heat maps, you're essentially working with two perspectives: the big picture and the finer details. A **system-wide map** is your go-to tool for understanding overarching trends across all locations. It consolidates data like sales volume, contribution margin, and profit contribution to give you a bird's-eye view of your network. This map helps you spot the broad patterns that drive your brand's overall performance.

On the other hand, a **location-specific map** zooms in on individual stores, providing the granular insights needed to create targeted strategies. These maps are essential for comparing locations, identifying outliers, and providing tailored support to underperforming franchises. Together, these perspectives allow you to make both high-level and location-specific decisions that drive profitability.

What's Next?

Once you've built your heat map, it's time to act on what the data is telling you. For starters, **simplify operations** by removing low-margin, low-volume menu items. This reduces waste and complexity in your kitchens while allowing your team to focus on what matters most. Next, **pinpoint outliers**—for example, a classic pizza that thrives in urban markets but struggles in suburban areas might benefit from localized promotions to boost sales.

Beyond that, heat maps provide the foundation for **pricing and upselling strategies**. As we'll explore later in Step 4, leveraging insights from your heat map allows you to experiment with dynamic pricing, bundling, and upselling to maximize ticket sizes.

Finally, don't be afraid to **test and adapt**. Regional campaigns or limited-time offers (LTOs) can help you unlock the potential of underperforming high-margin items, offering a strategic way to fine-tune your menu and meet the unique needs of different markets.

By combining system-wide trends with location-specific insights, you'll have a powerful toolkit for optimizing operations, driving profitability, and creating a scalable framework for success.

Step 2: Align and optimize guest experience across all locations

Step 1 gave you clarity on what's working—and what's not—across your franchise network, laying the groundwork for increasing profitability. Now, in Step 2, it's time to use those insights to enhance the guest experience—the heart of your brand's sustainability.

Mapping the guest journey goes beyond service improvements; it builds loyalty, drives repeat business, and boosts ticket sizes. Inconsistent guest experiences, such as long wait times or indifferent staff, risk long-term brand loyalty. That's why it's such an important step in building a culture of consistent excellence.

Step 2 focuses on mapping guest journeys at both top-performing and underperforming locations, uncovering gaps like online ordering issues or in-store inefficiencies, while highlighting what works best. By the end, you'll have the strategy to deliver a seamless, scalable experience at every location.

A. Map Out Your Current Guest Journey

Start by comparing your 5 best-performing locations with your 5 lowest-performing ones. Map out the entire guest journey for each location, from the first website click to order completion, delivery, or pick-up. This side-by-side approach will reveal where friction occurs—whether it's outdated online ordering systems, slow delivery, or missed upselling opportunities—and show you what's driving success at your top locations.

Here's where to focus your journey mapping:

Key Guest Touchpoints to Evaluate

- **In-Person Orders**
- **Online Ordering**
- **Third-party Ordering**
- **Pick-up**
- **Delivery Management**
- **Order Notifications**
- **Feedback**
- **Coupons, rewards, and loyalty**

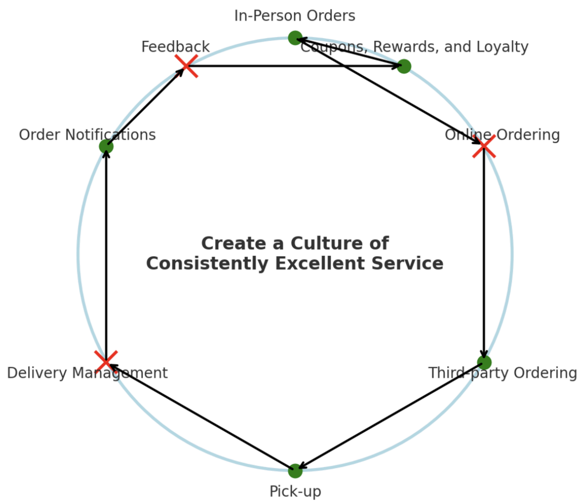
Lowest Performing Locations	**Highest performing locations**
-What touchpoints? Which of these are automated vs. Manual? -Are the employees upselling? -What's the customer feedback process like? -What is delivery and pickup management like? **Fill in what your guest journey currently is. Make sure that you interview team members and managers to uncover what is really happening at each step. Be constructive and positive as you do this, so that team morale stays high.*	-What touchpoints? Which of these are automated vs. Manual? -Are the employees upselling? -What's the customer feedback process like? -What is delivery and pickup management like? *Your highest performing locations are that way for a reason. Make sure you uncover every detail of how they are approaching guest experience. This is going to help you as you refine your overall franchise SOPs.

Guest Experience Evaluation Worksheet

Location	In-Person Orders	Online Ordering	Third-party Ordering	Pick-up	Delivery Management	Order Notifications	Feedback	Coupons/Rewards	Notes
Top Performer 1	✓	✓	✓	✓	✓	✓	✓	✓	Excels in all areas
Top Performer 2	✓	✓	✓	✓	X	✓	✓	✓	Strong online orders
Top Performer 3	✓	X	✓	✓	✓	X	✓	✓	Good in delivery
Lowest Performer 1	X	X	✓	X	X	X	X	X	Struggles overall
Lowest Performer 2	X	X	X	X	X	X	X	X	Poor delivery
Lowest Performer 3	X	X	X	X	X	X	X	X	Lacks rewards program

***Work up something like this. Would be cool to give supplement templates along with this book.*

Key Guest Touchpoints with Missing Elements Highlighted



B. Improve Guest Experience by Streamlining and Automating the Ordering Experience

After mapping the guest journey and identifying your strengths and key friction points, next it's time to take what you've learned and improve the guest experience. You've likely uncovered friction points in your service process that are increasing labor costs, causing mistakes that cost you more in inventory, and areas of frustration guests experience.

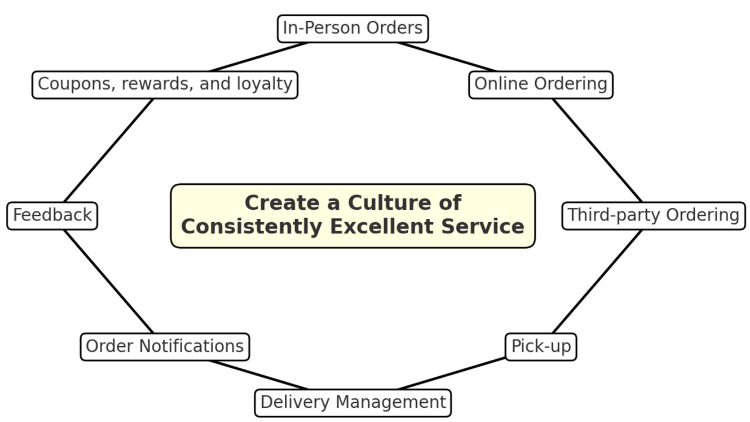
For example, we partnered with a mid-level pizza chain that was stuck in the stone age, manually entering coupon codes for every new promotion across all their stores. It was eating up hours of back-office time every month—time they couldn't afford to waste. When they started working with HungerRush, automating this process shaved hundreds of hours off their labor costs annually with one simple, streamlined fix.

Another fast-casual chain saw a 60% open rate on their automated marketing emails and increased online sales by 10%, thanks to optimized upselling features built right into their ordering system. These aren't just tweaks—they're game-changers that drive efficiency, boost sales, and build customer loyalty.

Example of Optimized Guest Experience using Automation at Every Touchpoint

Your goal is to deliver consistent, exceptional service guests can trust across all locations. Automating the experience at every touchpoint gives guests an experience they love and trust. And ultimately, it solves your biggest pain points by increasing guest retention, raising average ticket size, boosting labor efficiency, and increasing overall profitability.

Here's an example of how automation at every level creates a seamless guest experience that keeps customers coming back for more.



In-Person Orders

Face-to-face interactions are golden opportunities for upselling and personal connections. Don't let inefficiency rob you of these moments.

Automation + POS Fix:

- Equip staff with handheld POS devices to speed up orders and reduce errors.

- Program automated upsell prompts into the POS, suggesting add-ons based on order history or popular items.

Pain Point Solved:

Clunky, manual systems slow service and miss revenue opportunities. Automation frees your team to focus on what matters—building connections.

Online Ordering

Guests demand simplicity. With 70% preferring digital options, your online ordering system can't just work; it has to shine.

Automation + POS Fix:

- Use online ordering platform that is customizable, prompts upselling, and has an easy checkout experience.
- PLUS: Automate order confirmation with SMS text updates (more below).

Pain Point Solved:

Abandoned carts and clunky interfaces are profit killers. Automation ensures a frictionless digital experience that drives conversions.

Example: A regional pizza chain using HungerRush saw a 10% sales boost from automated upsell prompts in their online system.

Third-Party Ordering

Third-party platforms are a double-edged sword. They're great for first-time guest exposure but shouldn't be where the relationship ends.

Automation + POS Fix:

- Sync third-party platforms with your POS for seamless inventory and reporting.
- Choose a solution that can toggle between third party and in-house ordering, all in one system.
- Automate remarketing campaigns bring guests back with exclusive in-house deals.

Pain Point Solved:

Relying on third-party orders eats into profits and limits guest loyalty. Automation turns them into repeat customers, driving long-term value.

Pick-Up

No one likes to wait. A poor pick-up experience can ruin an otherwise great meal.

Automation + POS Fix:

- Online and phone orders send guest SMS text alerts that let them know the status of their order and estimate time of arrival.

Pain Point Solved:

Guests get frustrated when they don't know how long they need to wait for their food or where it is in the process. Automated SMS alerts keep guests informed, minimize errors, and free up your staff's time.

Delivery Management

When 63% of guests expect food in 30 minutes or less, there's no room for delivery hiccups.

Automation + POS Fix:

- Driver Management software that can track your drivers in real-time
- In-app navigation system that prioritizes order deliveries and makes routes simple for drivers.

Pain Point Solved:

Delivery delays kill trust. Automation ensures reliable, timely service that exceeds expectations.

Feedback

You can't fix what you don't know. Guest feedback is the roadmap to improvement.

Automation + POS Fix:

- Send automated surveys post-order to collect valuable insights.
- Use data to catch issues when they occur.

Pain Point Solved:

Manually chasing feedback is inefficient. Automation makes it easy to identify and address issues, improving guest retention.

Example: One chain improved guest retention by 20% after automating surveys and acting on flagged issues.

Personalized Engagement, Loyalty Programs, and Remarketing

The easiest revenue to capture? Repeat customers. Reward their loyalty, and they'll keep coming back.

Automation + POS Fix:

- Track purchase history in your POS
- Automate personalized loyalty offers
- Automate remarketing campaigns to boost repeat orders
- Target your third-party customers with exclusive in-house deals.

Pain Point Solved:

Manually managing loyalty programs is time-consuming and inconsistent. Automated systems drive consistent, high-impact engagement.

Example: Flyers Pizza's $5 rewards program for every $100 spent was a hit, driving retention with minimal effort through automation.

The Bottom Line

Automations aren't "nice-to-have" anymore—they are a necessity. Streamlining your operations with automation and a unified POS system solves the industry's biggest pain points, from inefficiencies to guest dissatisfaction. The result? You're one step closer to boosting your profitability and creating a culture of consistently excellent service across all locations.

By prioritizing guest experience and leveraging the right technology, you can eliminate friction points, create consistency, and drive loyalty across all locations.

The ROI is clear: at Papa John's, streamlining the online ordering experience and enhancing loyalty programs boosted repeat orders by 15%, increased average ticket sizes by 10%, and contributed to nearly half of total sales in 2021 through the Papa Rewards loyalty program. Investing in these improvements doesn't just enhance the guest experience—it directly drives profitability and long-term growth.

***Bill I would like to highlight ROI on optimizing this flow here? Maybe some more examples?*

Now, we need to talk about how to make sure these newly implemented automations and improved guest touch points stay on track. So let's go to step 4.

Step 3: Improve menu pricing and upselling strategies to maximize profitability.

Now that you've mapped and streamlined the guest journey, it's time to focus on optimizing what they're ordering. Step 3 builds on the guest experience improvements by ensuring your menu is not only appealing but also maximized for profitability. Strategic pricing and upselling turn every transaction into an opportunity to enhance value—for both your guests and your bottom line.

Profitability is never just about controlling costs—it is about understanding the intricacies of each revenue driver. At Dunkin', for instance, we found that while donuts drew people in, our profitability soared when we focused on coffee upsells. Similarly, in pizza, beverages, sides, and desserts often carry higher margins than the pizzas themselves—making them essential to an optimized menu.

***Possibly moving menu (audit) here*

A. Identify and Track Key Profit Metrics

In the fast-casual industry, food costs typically account for 25–30% of revenue, labor for another 20–25%, and the remaining operational expenses ultimately determine profitability.

- **Theoretical Food Costs:** Ensure your POS system tracks theoretical food costs—the ideal cost of ingredients based on standard recipes and portion sizes. This allows you to compare them to actual costs, pinpoint inefficiencies like over-portioning or waste, and take corrective action to protect margins.

- For example, over-measuring toppings like cheese—a high-cost ingredient—can significantly erode profitability. At one franchise, analyzing theoretical versus actual food costs revealed discrepancies caused by inconsistent portioning. Addressing these gaps through portion control saved over $800 per month. Additionally, identifying high-margin items like breadsticks or wings helped prioritize menu combinations that drove profitability without increasing costs.

- **Labor Costs:** Evaluate staff productivity during peak and non-peak hours. At one location, data showed that even though lunch sales were strong, overstaffing during mid-afternoon hours was eating into profitability. Adjusting the schedule saved nearly $1,500 per month in labor costs.

- **Average Ticket Size:** Small upsells can make a big difference. Introducing upselling scripts—“Would you like to add a dessert pizza to your order?”—boosted ticket averages by 10% across participating locations.

- **Bundling:** By analyzing POS data, a Papa John’s location identified that families often ordered pizzas and breadsticks but skipped beverages. Offering a discounted family combo (including drinks) increased total sales by 15%.

Once you’ve identified your key profit metrics and trends, the next step is to act on them strategically. This is where upselling comes into play—leveraging these insights to drive incremental revenue and boost profitability.

BONUS GUIDE

**Can put this in the appendix?*

How to Calculate Theoretical Food Costs:

1. **Create Standardized Recipes for Every Menu Item:**
   a. Each recipe must include exact portion sizes and a breakdown of ingredients used (e.g., 4 oz of cheese, 6 oz of dough).
   b. Ensure recipes are consistent across all locations.
2. **Determine Ingredient Costs:**
   a. Use current vendor pricing to calculate the cost of each ingredient.
   b. Convert bulk pricing into unit pricing (e.g., $5 per 5 lb bag of cheese = $0.06 per ounce).
3. **Calculate the Cost Per Dish:**
   a. Multiply the ingredient quantities by their respective costs.
   b. Sum the totals to determine the theoretical cost for each menu item.

Example: A pizza requires:

   i. 6 oz of dough ($0.30)
   ii. 4 oz of cheese ($0.24)
   iii. 3 oz of sauce ($0.15)
   iv. Total theoretical food cost = **$0.69 per pizza**

4. **Use POS Data to Track Sales Volume:**

    a. Your POS system should track how many units of each menu item are sold during a given period.

5. **Compare Theoretical vs. Actual Food Costs:**
    a. Theoretical Food Cost = (Theoretical Cost Per Item) × (Units Sold)
    b. Compare this to the actual food costs recorded during the same period. Discrepancies indicate issues like waste, theft, over-portioning, or spoilage.

How to Figure Out Gaps:

1. **Leverage Your POS System:**
    a. Ensure your POS tracks ingredient-level inventory and syncs with sales data. Many modern systems can calculate theoretical food costs automatically when paired with inventory tracking software.
2. **Conduct Food Cost Audits:**
    a. Regularly audit inventory usage against sales. If theoretical food costs say you should have used 100 lbs of cheese but the actual inventory shows 120 lbs were used, investigate further (e.g., over-portioning, employee training issues).
3. **Identify Trends:**
    a. Look for patterns in discrepancies—certain locations, time periods, or staff shifts may have consistent issues that need addressing.
4. **Optimize Based on Insights:**
    a. Implement changes like improved portion control tools, better employee training, or adjustments in menu pricing to align actual costs more closely with theoretical costs.

B. Maximizing Revenue Through Strategic Upselling: Building on Your Heat Map Insights

Your heat map from Step 1 gave you clarity on where the biggest opportunities lie, but knowing isn't enough. Upselling is the next step to drive meaningful revenue growth without overcomplicating operations. I've been in your shoes, looking for ways to ensure every team member knows what to promote and every transaction moves the needle.

By leveraging the data you've already gathered—like identifying high-margin items or underperforming menu categories—you can build a revenue-driving plan tailored to each location. For a chain with multiple locations, upselling isn't just a small operational improvement—it's a strategic opportunity to unlock significant revenue growth and expand margins.

How Upselling Drives Revenue and Improves Margins

At its core, upselling adds incremental value to every transaction, maximizing your average ticket size without increasing your cost base. For example, offering premium add-ons (like extra toppings for pizzas or combo meals for sandwiches) often yields higher margins than standalone menu items. The key is ensuring your team promotes the right items at the right time—and your POS system is central to making this scalable.

POS Integration in Upselling

1. **Dynamic Recommendations**

   Your POS system should prompt staff with upselling recommendations based on heat map insights. For instance, if a certain high-margin dessert is underperforming, your POS can prompt cashiers to recommend it during checkout. For online orders, your POS can automatically display add-on suggestions during the customer journey.

2. **Tracking Success in Real-Time**
   Use POS reports to monitor which upselling strategies are working. Track metrics like increased ticket size, high-margin item sales growth, and regional variations to adjust your approach as needed.

Applying Heat Map Insights to Upselling

Your heat map from step 1 already showed you which items have untapped potential. Let's translate that into action:

1. **High-Margin, Low-Sales Items:**
   Use heat map data to prioritize upselling these. For instance, if premium sides or desserts have great margins but low sales volume, train staff to promote them at key touchpoints.
2. **Regional Opportunities:**
   Adjust upselling strategies based on location-specific insights. For example, if your heat map shows that iced beverages perform well in suburban locations but underperform in urban ones, you can target upselling efforts accordingly.
3. **Bundling and Add-Ons:**
   Use the heat map to identify items that pair well. For instance, if pepperoni pizzas

are top sellers but drinks are underperforming, bundle them as a discounted combo.

The Upselling Formula: Using Data to Drive Results

This isn't about intuition—it's about using your POS system to quantify opportunities and track results.

First, here's a simple formula to measure the impact of upselling.

1. **Calculate Average Ticket Size (ATS):**

   Start by understanding your baseline. Knowing your ATS gives you a clear benchmark to measure the impact of any upselling strategy.

   Formula:

   $$ATS = \frac{\text{Total Sales}}{\text{Total Transactions}}$$

   Upselling Goal: Once you know your starting point, set a realistic target. Increasing ATS by just 10% through strategic add-ons can unlock significant revenue growth.

   Example:
   Current ATS: $15.
   Goal: $15 × 1.10 = $16.50.

   Why It Matters: If your chain averages 1,000 transactions per day across 50 locations, this could result in an additional $1,500/day—or over $45,000/month in incremental revenue. That's not pocket change.

2. **Project Additional Revenue:**

   Now that you've set your ATS goal, calculate the revenue potential. This step shows you the financial impact of achieving that upselling target across your network.

   Formula:

   $$\text{Additional Revenue} = \text{Upsell Target} \times \text{Total Transactions}$$

   Example:

   $3 upsell × 50,000 transactions = $150,000 in additional revenue.

Why It Matters: Knowing this number helps you prioritize efforts and resources. It's about seeing the big picture—how small, strategic changes across your locations can drive substantial growth.

3. **Calculate Profit Contribution:**
   Revenue is one thing, but profitability is what keeps the doors open. Use this step to ensure that your upselling efforts focus on high-margin items that deliver real value to your bottom line.

   Formula:

$$\text{Profit Contribution} = \text{Additional Revenue} \times \text{Contribution Margin (CM)}$$

   Example:

   $150,000 × 0.73 CM = $109,500 in profit.

   Why It Matters: This is where your heat map and POS system come together. By focusing on items with strong contribution margins, you're maximizing profit—not just sales—every time a customer says "yes" to an upsell.

This framework ties everything together. By understanding your ATS, projecting revenue, and calculating profit contribution, you're not guessing—you're building a data-driven strategy that scales with your business.

Sample Upselling Impact: Before and After

Metric	Before Upselling	After Upselling
Total Transactions	50,000	50,000
Average Ticket Size (ATS)	$15	$18
Additional Revenue/Order	-	$3
Total Revenue	$750,000	$900,000
Contribution Margin	73%	73%
Profit Contribution	$547,500	$657,000

By combining your heat map insights with a structured upselling plan, you're not just boosting ticket sizes—you're ensuring your entire network runs smarter. This strategy creates a ripple effect: increased profitability, better resource allocation, and a scalable framework for sustained growth. And with your POS system driving automation and consistency, you'll stay ahead of the curve—without losing sight of the bigger picture.

This is how you use data to turn every interaction into an opportunity, driving value for both your guests and your business. Now, let's get to work.

Step 4: Strengthen Brand Consistency, Performance, and Accountability

You've made it through Steps 1 to 3—identifying gaps, enhancing guest experiences, and optimizing pricing and upselling. Now is where it all comes together. Step 4 ensures everything you've built is executed flawlessly across every location by creating team buy-in, accountability, and systems that drive consistent results.

This step is about leveraging centralized reporting and accurate P&Ls for clarity, updating SOPs to guarantee consistency, and using benchmark reporting to keep everyone aligned. These tools are how you create a culture of excellence—one that scales profitably and delivers the same exceptional guest experience, every time, everywhere.

Consistency is the key to success. Even small inefficiencies can ripple through the business, but a strong culture of accountability ensures every location meets the same high standard of service your guests expect—whether they're in New York or Columbus.

A. Centralized Reporting and Get Accurate P&Ls from GM's and Franchisee Owners

When it comes to creating a standard of excellence at all locations, making sure all your locations run on the same POS system is non-negotiable. It gives you one source of truth—real-time visibility into your inventory, sales, and labor costs across every location. This isn't just about cleaning up your reporting; it's about taking control. With the right system in place, you'll have the clarity to address inefficiencies, make better decisions, and drive profitability while maintaining consistent guest experiences at every location.

When locations operate on fragmented systems—different POS setups, manual processes, and inconsistent reporting—it costs you money and control. The average restaurant loses up to 10% of its inventory to waste, and without real-time data, managing labor costs and sales trends becomes guesswork. That's a recipe for inefficiency and missed opportunities.

Centralized reporting lets you track inventory, labor, and sales in real-time across every location, giving you the data you need to act fast and make smarter decisions.

Key Benefits of Centralized Reporting for Your Business:

- **Get Clearer P&Ls**: Reliable, standardized data across all locations gives you a full picture of performance. You'll uncover trends faster and make decisions with confidence. (We will discuss this more in depth in the following section.)

- **Gain Real-Time Inventory Control**: Stop the guesswork. Monitor inventory levels and sales trends to quickly identify where waste is happening and make adjustments before it impacts your bottom line.
- **Optimize Labor Costs**: Align schedules with real sales data to cut overtime costs by 10% without compromising service quality. You'll spend less while maintaining operational excellence.
- **Tighten Food Cost and Reduce Waste**: Compare expected food usage (based on sales) to actual usage to uncover inefficiencies like over-portioning or spoilage. Fixing these issues can save you thousands per year while keeping quality intact. Centralized reporting helps you run a leaner, more profitable operation.

How To Get More Accurate P&L's

Now that your reporting system is centralized, it's time to use that clean, consistent data to produce accurate, actionable P&Ls—giving you the clarity to tackle real issues head-on.

Think of tracking your business metrics like stepping on a scale every morning under the same conditions—same time, no shoes. If you change the variables, like weighing yourself at night or after a big meal, the data you get may not reflect reality. It's not that the data is wrong, but the trend you deduce from it might lead you to make changes that don't actually solve the problem.

Here's the key difference between data and a trend:

- **Data** captures a snapshot—a single moment in time. It's accurate but often influenced by irrelevant variables.
- **Trends** reveal consistent patterns over time, under the same conditions. They're what you rely on for meaningful decisions.

Now, here's the million-dollar question: **When should you act?**

Make sure you are clear on exactly what problem you are trying to solve. For example, problems you are trying to solve should be measurable and actionable.

Saying "I'm not making enough money" isn't actionable. A specific issue, like "How do we increase Monday orders by 15%?" is something you can target.

To identify and address real problems:

1. **Start with a hypothesis** based on your data. For example, "Offering a Monday-only coupon will encourage customers to order more on Mondays."
2. **Deploy the solution.** Work with your team or Customer Success Manager to implement and test it effectively.

3. **Give it enough time.** Trends need consistency. Use reports that reflect the problem you're solving and track them over time.

This is where reporting becomes your best tool. Daily reports might feel satisfying to check, but they rarely give the whole picture.

B. Teach Franchisees and GMs to Build Consistency in Their Teams

Once your reporting systems and data are aligned, the next part of this step is ensuring your teams know how to turn those insights into action. Teaching franchisees and managers to implement SOPs, leverage data effectively, and build consistency across their teams is how you transform operational improvements into real-world execution. It's the bridge between strategy and results, ensuring guest satisfaction and operational excellence at every location.

As I've said before, even the best tech and strategies are useless without team accountability and alignment. Step 5 is about equipping your franchise owners and managers with the tools, training, and systems they need to create a culture of consistently excellent service across their teams—day in and day out, at every location.

1. Update Your Standard Operating Procedures (SOPs)

Your SOPs need to reflect the improved customer journey, streamlined reporting processes, and upselling strategies developed in earlier steps. Standardizing these updates ensures every location delivers consistent, excellent service while maximizing profitability.

Align SOPs with the Customer Journey:
Update your SOP with your newly improved procedures for in-person service, online ordering, delivery, and feedback to ensure your team provides a seamless experience at every touchpoint. Make sure everyone is on board with how and why the new automations are in place.

Simplify Reporting:
Set clear expectations for daily, mid-shift, and end-of-day reporting. Use your POS system to track real-time data like labor costs, inventory, and ticket accuracy, giving managers the tools to fix issues before they escalate.

Upselling and Pricing:
Train staff on your new and improved upselling prompts and bundling strategies for high-margin items. Integrate these into SOPs to make them part of every

interaction.

Focus on Fundamentals:
Start with food prep accuracy, service speed, and ticket consistency. At Papa John's, improved SOP compliance cut ticket times by 10% and reduced waste by $800 per month at key locations.

2. Train Staff for Excellence

Consistency starts with a well-trained staff. Your managers need to invest in training their teams, making sure every employee understands their role in delivering the same experience to every guest.

- **Leverage the POS for On-the-Job Training:** A POS system isn't just for processing orders—it's also a training tool. It can guide staff with real-time prompts for portion control, ticket accuracy, and upselling, ensuring they stay on track.
- **Real-World Impact:** At Dunkin', locations with improved training compliance saw a 15% increase in customer satisfaction within six months, directly tied to fewer errors and faster service.

3. Incentivize Learning

Motivating staff goes hand in hand with training. Managers need to set clear goals for their teams and reward them for meeting or exceeding those standards.

- **Use POS Data to Track and Reward Performance:** A good POS system tracks individual performance metrics like upselling success rates or ticket accuracy, making it easy to identify top performers. Managers can use this data to reward employees with certifications, bonuses, or other incentives, driving engagement and retention.

This step equips your franchise owners and location managers with the tools and systems they need to ensure consistency across their teams. With the right SOPs, training programs, and the power of the POS, every location can deliver the same high standard of service—and drive profitability while doing it.

C. Establish Weekly Check-ins for Accountability and Continued Mentorship with Your Location Managers

It's important to give your franchise managers the tools and authority to take ownership and ensure they have the continued mentorship they need. This is what pulls all the steps together and keeps your operation running smoothly as you grow.

Weekly Check-Ins with Data-Based Insights

Consistency starts with clear, ongoing communication. Weekly check-ins help managers focus on actionable metrics like labor costs, ticket accuracy, and customer satisfaction. These aren't about micromanaging—they're about collaborating and solving problems in real time and maximizing profitability.

- **Establish Check-In Rhythms:** As a franchise owner, you should set a rhythm with your location managers to pull morning, mid-shift, and end-of-day POS reports so you can quickly identify which locations or shifts need the most attention. These can create focused conversations that help to ensure accountability and help you identify problems and act quickly.
- **Set Clear KPIs:** Managers should focus on metrics that matter most. For example, if a location's upselling rate falls below the 10% benchmark, the POS can pinpoint which staff need retraining.
- **Use POS Data to Drive the Discussion:** A robust POS system provides real-time insights, such as whether labor costs are edging over 25% of sales or if ticket times are slipping during busy hours. Managers can use this data to identify problem areas and act quickly.
- **Real Example:** **Need to put some examples in here from Bill*

Visualization
**Show a visual chart example of the reports in Hunger Rush.*

Example GM and Franchisee Check-In Rhythm

**Need a little more info. From Bill.

Managing multiple GMs or franchisees can be a juggling act, especially when it comes to figuring out where your time will make the biggest difference. The right reporting system changes that, giving you a clear line of sight into which franchisees need the most support. With that clarity, you can focus your energy where it counts and structure your week for maximum impact. Here's what an effective weekly rhythm could look like:

Monday	*Tuesday*	*Wednesday*	*Thursday*	*Friday*	*Saturday*	*Sunday*

D. Routine Benchmarking – Maintain and Scale Success

Routine benchmarking ensures you're consistently tracking progress, addressing issues proactively, and keeping all locations aligned with your vision.

Build a Franchise Playbook to Standardize Success

Earlier in this step, you updated your SOPs, set clear KPIs for critical metrics, standardized training guidelines, and ensured consistent technology implementation across all locations. These elements now serve as the framework for routine benchmarking, enabling every franchise to deliver consistent results and operational excellence. For example:

Daily Benchmarks

Certain metrics need daily attention to catch problems early:

- **Labor Costs:** Monitor in real-time to adjust scheduling and avoid overtime.
- **Food Costs and Waste:** Keep an eye on portion control and minimize losses.
- **Average Ticket Size:** Track upselling performance daily to see if strategies are sticking.
- **Sales Per Hour/Day:** Evaluate daily performance to spot dips or spikes.

Weekly Benchmarks

Weekly reviews focus on trends that need more time to develop:

- **Customer Satisfaction Scores:** Analyze survey feedback to identify recurring issues.
- **Inventory Turnover:** Ensure you're not overstocking or running out of essentials.

Monthly Benchmarks

Monthly metrics help you assess broader trends:

- **Gross Sales:** Track revenue growth or dips and investigate causes.
- **Marketing ROI:** Measure the impact of promotions or campaigns.
- **Employee Turnover Rates:** Spot retention issues and address them proactively.

Quarterly Benchmarks

Every few months, zoom out for a bigger picture:

- **Profit Margins:** Check overall financial health.
- **Revenue Per Square Foot:** Compare location efficiency across the franchise.
- **Cost of Goods Sold (COGS):** Monitor seasonal changes or inefficiencies.

Annual Benchmarks

Finally, take a comprehensive look at your franchise's performance each year:

- **Net Promoter Score (NPS):** Assess long-term guest loyalty.
- **Franchise Ranking (Operational Benchmarking):** Identify the top and bottom performers in your network and refine your playbook accordingly.

Why the Reporting Frequency Matters

Metrics like labor and food costs fluctuate daily and need constant monitoring, while others, like profit margins or marketing ROI, require longer timelines to provide meaningful insights. Larger franchises with centralized systems often track benchmarks daily or weekly, staying proactive. Smaller or disorganized franchises may default to monthly or quarterly reviews—but that can mean missing critical opportunities for improvement.

Step 5: Empower and Mentor Leaders to Build a Culture of Excellence

Mentorship Matters

Strong franchise managers make or break your success. Their leadership is what drives guest experiences and profitability. That's why mentorship—focused on building their confidence and giving them the tools to lead with clarity and care—is so effective. This approach develops managers who can guide their teams and deliver consistent results at every location.

Great leaders don't grow in isolation. Collaboration between managers ensures that strategies and best practices are shared across locations, creating alignment and consistency. This teamwork raises the bar and ensures every location operates at the same high standard.

When managers feel supported and capable, they pass that confidence to their teams, creating a culture of excellence shift after shift. Confident leaders inspire confident teams, and that's what keeps your franchise growing strong.

***This last step is really about servant leadership, mentorship process, etc. It's short, but very inspirational, brands that success for generations know how to multiply leaders through mentorship.*

Recap

The Roadmap to Scaling Profitability and Excellence

Congratulations! You've just unlocked the exact playbook I used to scale some of the biggest restaurant brands in the world. But here's the thing: knowledge only gets you halfway there. The magic happens when you take action—when you commit to consistency, accountability, and driving excellence at every single location.

This isn't about tweaking a few processes or adding another tool to your tech stack. It's about building something bigger—creating a brand your guests trust, a culture your teams believe in, and results your franchisees can proudly deliver.

Your journey doesn't end here; it starts here. With this playbook, you're not just running a business—you're building a legacy of excellence, one guest, one order, and one location at a time. Let's make it happen.

After working through this playbook, you now have a clear roadmap to maximize profitability and create a culture of consistently excellent service across all your locations. Here's a recap of the journey we've taken together:

Step 1: Assess Your Franchise Network

- Identify top-performing and underperforming locations.
- Use data like labor costs, food costs, and customer satisfaction scores to pinpoint gaps and opportunities.
- Conduct site audits to contextualize data and develop a clear action plan.

Step 2: Enhance Guest Experiences to Increase Loyalty

- Map out the guest journey to uncover friction points and strengths.
- Improve service touchpoints with streamlined online ordering, efficient delivery, and upselling opportunities.
- Automate guest engagement with loyalty programs, feedback surveys, and personalized remarketing campaigns.

Step 3: Optimize Menu Pricing and Upselling

- Analyze menu performance to maximize contribution margins and revenue.
- Use profitability heat maps to identify high-margin, low-sales opportunities.
- Implement upselling strategies and bundling offers tailored to each location's needs.

Step 4: Drive Brand Consistency, Performance, and Accountability Across All Locations

- Establish centralized reporting for real-time visibility into inventory, sales, and labor.
- Update SOPs to reflect streamlined processes, improved guest journeys, and upselling strategies.
- Create team accountability with regular training, benchmark reporting, and weekly check-ins to address performance gaps.