Poke Playbook

Introduction

Poke concepts began to take off in 2012, with growth accelerating due to increasing consumer demands for healthy fusion foods; **between 2021 and 2026 it's predicted to grow at a CAGR (Compound Annual Growth Rate) of 8.41%**.

But, despite exponential growth within the poke market, it faces challenges alongside all other businesses. Inflation is causing bowl prices to rise by around 25% and there are concerns that this will negatively impact growth as people trade down to alternatives.

Contributing factors to poke restaurants, such as supply chain issues and inflation have the potential to cause detrimental impacts to the poke market. The cost of salmon and other ingredients has risen massively due to overfishing and lack of supply.

Tenzo works with a number of Poke brands and has established a deep understanding of their challenges alongside key metrics to their success. We've put together a guide to achieving some of these KPIs; boosting performance by harnessing the data and acting upon it.

> Our managers also really love to open Tenzo at any time of the day and play around with different graphs and tables, figure out ways to improve performance, and you can see that it also motivates them. They'll say "Our numbers have gone up by x percent compared to last week, let's keep it up!"
>
> **Robin Meysen**
> Founder and MD at Surfside Poke, Established in 2019

Sales

Sales

Speaking with several poke operators, one of their most important KPIs is **Average Transaction Value (ATV)**, and the most common way to improve this is through upselling drinks or added sides - such as premium toppings.

Placement of certain items along the customers' journey can also help with the likelihood of upselling. Wasabi peas and Nori Chips, or other ambient goods, placed on display at the point of sale increases the probability that a customer will purchase added extras.

Ensure that the team members at the beginning of the bowl-making process, and at the till have **good interpersonal skills** and are likely to be good at drawing people in and upselling more items to them.

There's an element of **training involved for employees on how to improve ATV through upselling.** They should be **incentivised to upsell** so that they engage with every customer, but their sales tactics should involve encouraging extra items with positive suggestions of what goes together well. You don't want to leave customers feeling like they've been bullied into buying extras.

The report below demonstrates metrics that contribute to the ATV. If your team members have access to this kind of report in real-time, they can understand what they need to do in order to hit their ATV targets and therefore boost performance.

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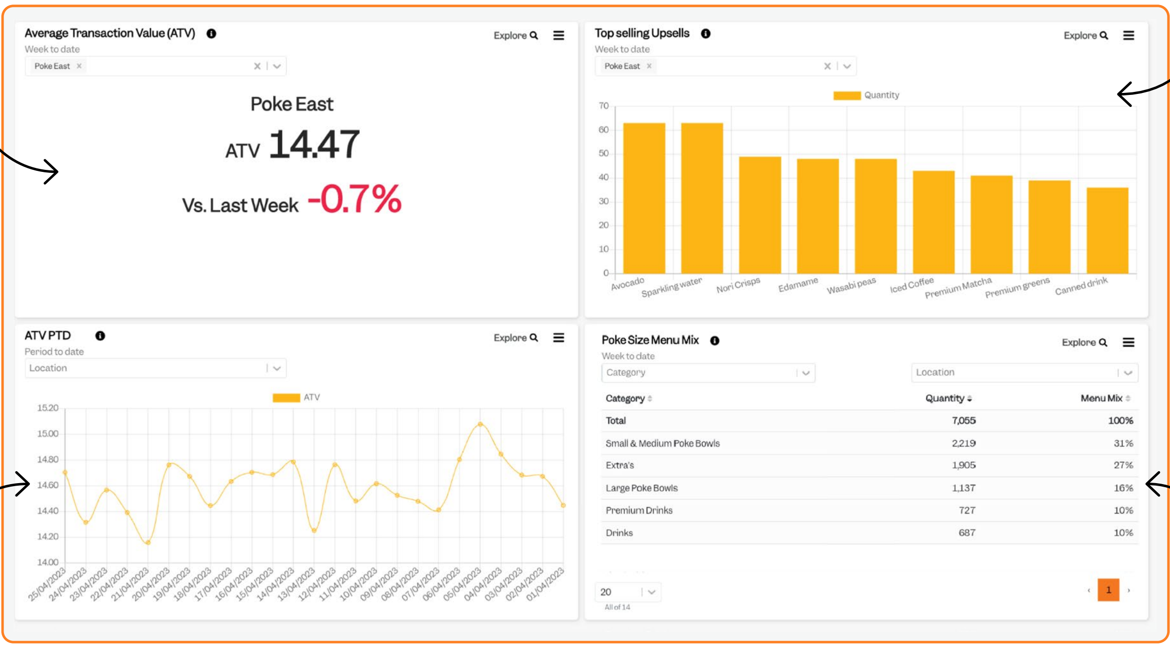
This card shows the ATV (Average Transaction Value) for the current week and puts it against the previous week so operators can understand whether they're improving on the previous week.

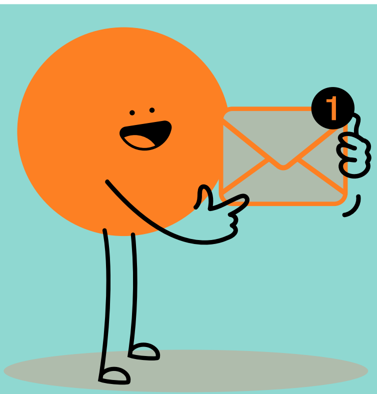
This demonstrates which items have been most upsold in the current week, in each restaurant.



ATV PTD (Average Transaction Value, Period To Date) is showing the average transaction value from the current accounting period to date, being able to analyse which days performed best, or worst, helps to make changes based on what happened on those days.

The poke size menu mix shows the distribution of sales between bowl sizes and drinks, to help to understand the most profitable and popular items.

Alert



Sales Now

ATV is £14.47, which is 0.7% less than last week

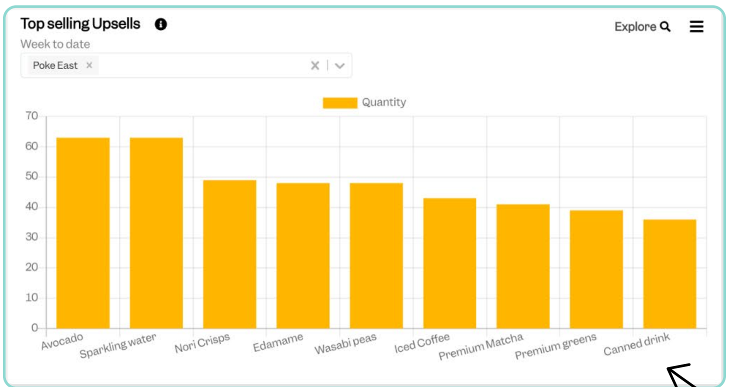
Act

Knowing your positioning week-on-week helps quickly gauge whether changes need to be made, a drop in ATV means that actions need to be taken to counter it.

Introducing a business review day allows you to learn from the previous week, and make changes for the following week.

However, a **daily briefing is always good to assess the performance of a busy day** and where you are in the week to date. Understanding immediately why ATV was so high on the 04/04/23, or equally why it was lower on the 12/04/23, means it'll be easier to understand what went well, or badly, and make improvements as a result.

It might be that certain employees were working on the 04/04/23 on the till who are really good at upselling, encouraging others to learn from them would help to push up the average ATV.



Avocados and Sparkling Water were the menu items most upsold last week, at just over 60. As these item are clearly successful with customers, **employees should be encouraged to push these items when upselling**, as they're most likely to result in increasing ATV.

It's also clear that the best-selling items are small and medium bowls, with extra toppings added to them - these two categories being 58% of the sales in the week to date. **Knowing that this is your market can help you push towards these sales**, or you can use it to target marketing towards selling larger bowls.

Poke Size Menu Mix

Week to date

Category	Quantity	Menu Mix
Total	7,055	100%
Small & Medium Poke Bowls	2,219	31%
Extra's	1,905	27%
Large Poke Bowls	1,137	16%
Premium Drinks	727	10%
Drinks	687	10%
Not Available	380	5%

Testing new additional items by upselling them could lead to a massively increased ATV; introducing out-of-the-box, high-quality products to test their success and whether they should become a permanent menu fixture. Some people aren't keen on traditional Poke options, so introducing more local menu items might encourage new customers!

Labour

Labour

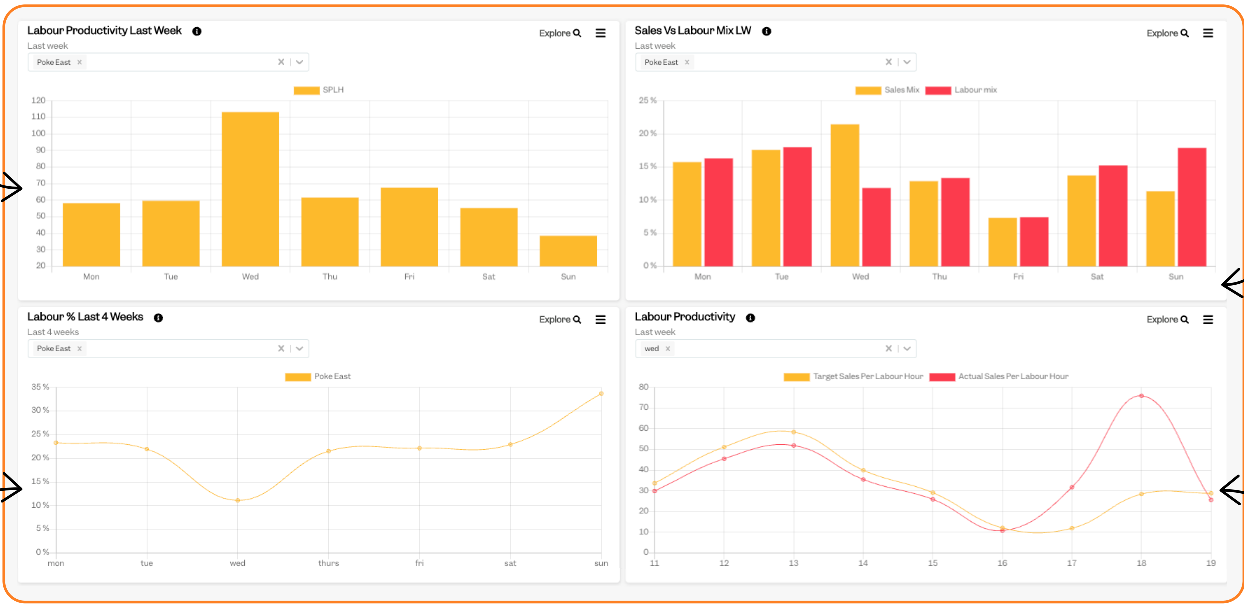
Labour is one of the most important factors that restaurateurs need to monitor. It uses a high percentage of revenue, and therefore **keeping on top of your cost of labour (COL) can be the difference between breaking even or making a profit.**

One of the popular KPIs to focus on when managing labour costs; are sales per labour hour. Exact sales per labour hour targets need to be established and defined by individual businesses, but generally, **labour costs should be about 20-25% of revenue.** This is **influenced by what your teams need to prep,** if you have a centralised kitchen this will impact your overall COL and your budget should be compensated accordingly.

The report below outlines important metrics and contributes to insights that will help make important decisions within the business.

This shows labour productivity from the previous week, this is demonstrated as spend per labour hour (SPLH) for each day. Maintaining a good level of SPLH the better; high SPLH means labour costs will be low - but you need to ensure employees aren't overworked or stressed.

Here we see the distribution of sales and labour spending. Ideally, the two columns (yellow and red on each day) would be equal; demonstrating the spend on labour reflects the amount of revenue taken in per day.



Here we see labour as a % of sales over the last four weeks by day, this helps to build on the story and see clearly the outcome of the two previous graphs.

This graph shows labour productivity during Wednesday throughout the day. The best performance is when the actual SPLH follows the same curve as the target SPLH, demonstrating thorough preparation and productivity.

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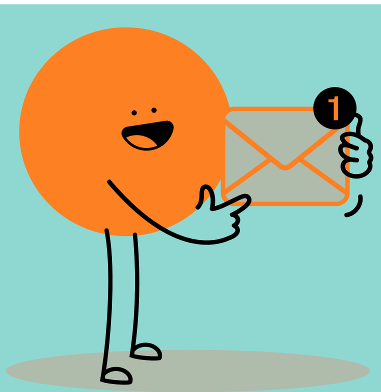
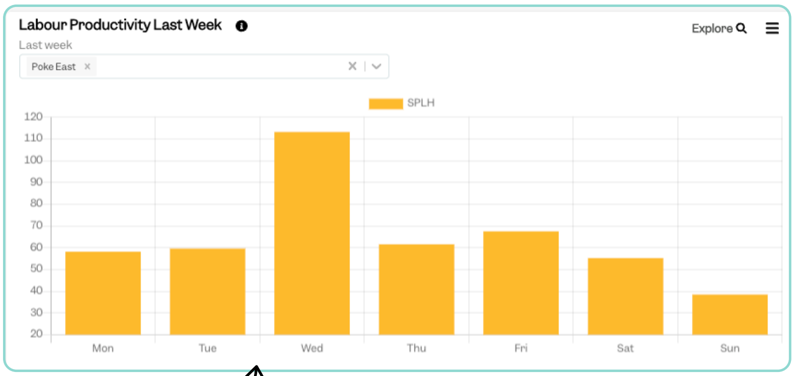


Labour Now

Sales intake was 50% higher on Wednesday than the labour cost equivalent

Spend per labour hour (SPLH) was an average of £112 on Wednesday, which is almost 50% higher than all other days of the week; the cost of labour, as a result, would be a lower proportion of revenue.



This is backed up by the labour as % of sales graph; demonstrating that **labour was only at 12%**, which is 20% lower than the other days of the week.

Understanding why the sales intake was so much higher is important in **ensuring that the team isn't overstretched again**; exceeding the threshold of labour productivity can result in staff getting burnt out and leaving. However, this could also be an opportunity to learn how to improve the productivity of labour on lower-performing days.

Normally poke restaurants' sales are much higher during lunchtime periods, as demonstrated in the first graph. However, the labour productivity graph shows that a likely reason for the boost in sales on Wednesday was due to an evening spike in service.

<u>**Accurate forecasting is vital**</u> **in preparing correctly for service periods**; understanding when your busy periods are will allow you to deploy staff effectively. This not only means having the correct number of employees working, and deploying more staff during busy periods, but also that you **have staff that excel in certain areas in the correct place during busy services**.

Creating flexible shift patterns, with a mixture of full-time and part-time team members, helps to manage planned hours versus sales more effectively. As mentioned earlier, maximum performance isn't possible due to employing people for a minimum length of time, but this helps improve it.

It's not about reducing the number of hours your staff are working necessarily, but about **deploying them at different times to even out sales and labour distribution**.

Reviewing the bowl-making process can help with queue management and keeping productivity at a consistent level. Reducing the average order time helps increase capacity and therefore profits, and labour productivity.

Tracking individual employee productivity can be tricky as normally employees are stationed in one area of the bowl-making process, but tracking how many items they're upselling can be a good gauge.

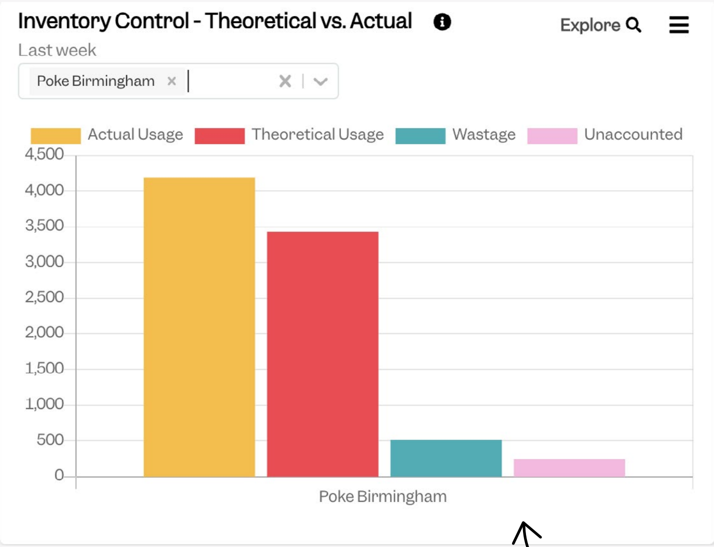
Inventory

Inventory

Inventory management is key to maintaining a high level of performance in any restaurant, but for Poke the stakes are even higher due to highly perishable goods. The nature of the poke bowl is freshness and taste, so maintaining the quality of food is also important.

Ensuring that all your systems, and integrations, are configured properly can be the difference between having a high, or low, performing restaurant. Good inventory management should include all recipes being checked - that they're accurate and linked correctly to POS systems.

Cost of goods sold (COGS) is incredibly important for restaurants, small percentage differences can result in thousands of pounds of loss annually, if not managed efficiently. The report below outlines some of the key data points to be looking at when managing inventory at your poke restaurant.



This graph demonstrates the actual usage of inventory against the theoretical usage, also displaying the amount of wasted and unaccounted-for goods. In a perfect situation, unaccounted for would be at 0, with waste at an acceptable level - a small amount of waste is unavoidable. Unaccounted-for goods are those that have been inexplicably wasted, or missing, making it hard to improve cost management.

This table helps you to understand where the wastage has come from, allowing you to pinpoint products that might be being over-ordered or poorly stored and make actionable differences as a result.

Inventory Variance Explore

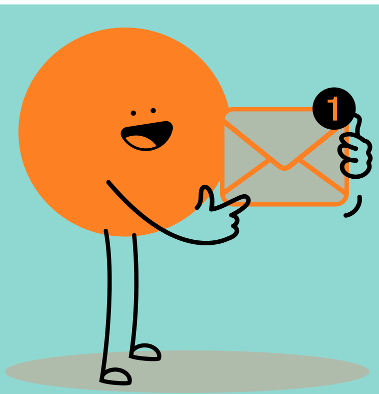
Last week

Poke Birmingham

Item	Actual vs. Theoretical Variance
Total	-756
Tuna	-301
Salmon	-216
Vegetable	-90
Nori Crisps	-34
Edamame	-25
Matcha	-20

20 All of 11 ‹ 1 ›

Alert

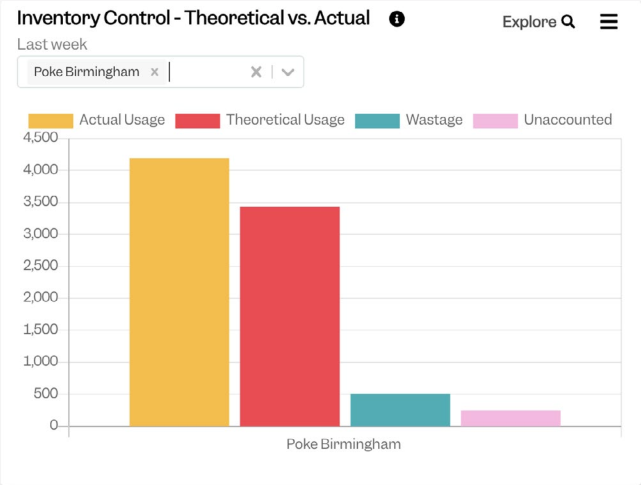


Inventory Now

Waste is over 12% and unaccounted-for goods are at 5%

Act

The graph shows that **waste is just over 12% of all inventory purchased**, and unaccounted-for goods are at 5%. As mentioned earlier, recipes and systems being configured correctly are imperative to reducing the number of unaccounted-for goods, but there are processes to help with this.



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Regular stock-taking and waste logging can help to ensure that unaccounted-for items are kept track of. Understanding whether mistakes are made during these inventory checks, can help to make educated explanations and justifications for missing items and reduce unaccounted-for goods to 0.

Forecasting is an incredibly useful tool in preparing effectively for upcoming hours, days, and weeks. With highly perishable goods at poke restaurants, you should only be opening, or prepping, what you need for that period; using forecasting tools to help you pinpoint quantity and individual items. Consider the shelf-life of individual items and think about the effects of opening them unnecessarily.

Considerations of wastage in the preparation of food are important, the extent of this can be dependent on whether you have a centralised kitchen and how the food arrives. If you need to fillet fish then wastage can vary hugely based on how experienced someone is. Monitoring this and helping staff improve helps keep costs down.

Portion control is an important factor when considering inventory; **giving customers too much can not only lead to reduced profits and unaccounted-for goods**, but it can also result in consumer disappointment the next time they visit the restaurant - consistency is key.

Ensuring you have the **correct small wares for preparing poke bowls** is vital in managing over or under-portioning, helping to reduce waste and unaccounted-for goods, and maintaining profit margins.

Prepping the food correctly can also affect portion control, despite having small wares. The amount of, for example, cucumber that would fit within a 'scoop' will vary depending on how large, or small, the cucumber has been cut.

Effective inventory management can be a huge contributing factor in reducing waste, using techniques such as **FIFO (First in First out) can reduce wastage by reducing loss through spoilage**. This method also ensures that food is sold at a consistent level of freshness.

If you have extra of certain items, it might be worth contacting nearby locations to see if you can reduce wastage, and control costs, by sharing stock.

Conclusion

Conclusion

Operating profits after COGS and COL should be about 20%. Poke restaurants' sales, in the UK, range between £15,000 - £25,000, but for the sake of this example, we'll take £20,000 as our average revenue.

COGS is normally about 20% of revenue and provides 80% of gross profit. If this was to shift by only 1% to 21% of revenue it would result in losses of about £200 a week; for sales to cover these losses they would need to make an extra £1,000 a week, or over £52,000 in a year.

Small percentage changes within metrics can be the difference between making profits or barely breaking even. Keeping on top of your data and understanding when mistakes are being made is vital in ensuring consistency across your business.

Tenzo

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