

Operations Measurements



TRAIN MORE. BE MORE.



Operations Measurements



“ A little neglect may breed great mischief...for want of a nail the shoe is lost, for want of a shoe the horse is lost, for want of a horse the rider is lost.”

---Ben Franklin



Operations Measurements



Agenda & Objectives

- Terminology (use and meanings)
- Day to Day Basics
- Common Industry Metrics
- Workshop—Daily & Weekly Financial Management
- 2015 Benchmarking (benefits & examples)
- Labor Tips



Operations Measurements



Consistency & Accuracy—Mission Critical

1. Accurately evaluate center's performance
2. Determine problem areas (including theft)
3. Ensure all revenues are reported
4. Measure effectiveness of sales/marketing/promotions
5. Ensures the optimum price if the center is sold
6. Allows for accurate "Trend Tracking"
7. Ensure optimum scheduling of staff



Operations Measurements



TERMINOLOGY

- Lineage, Average Price per Line
- Lines per Bed
- Bowling Revenue
- Revenue=Sales (Always Net)
- Incremental Revenue
- Labor Expense, Labor-Related Expenses
- Labor Percentage
- Productivity



Operations Measurements



TERMINOLOGY

- Average Hourly Rate
- Comp (comparable) Sales
- Controllable (Variable) Expenses
- Fixed Expenses, Operating Expenses
- EBITDA, EBITDA Percentage



Operations Measurements



THE FUNDAMENTALS

- Cash Business—Security & Safety Paramount
 - Limit Access and Rights
 - Assign/Maintain Accountability & Responsibility
 - Change as Needed—Locks, Combinations, Codes
 - Cameras, Security Systems
 - Blind Counts, Dual Counts
 - Cash Pulls, Safe Drops, Deposit Procedures



Operations Measurements



THE FUNDAMENTALS

- Cash Business—Trust but Verify
 - Background Checks for Managers/Supervisors
 - Cash Drawer Control
 - Limit or Eliminate “Regular” Schedules
 - Foxes do not Guard Hen Houses
 - Reconcile EVERYTHING-Leagues, Free Games, Prize Funds, Perpetual Inventories, Parts Usage



Operations Measurements



THE FUNDAMENTALS

- Perpetual Inventories for High Risk Products
- Daily Cash & Revenue Report Completed
- Clock-in/Clock out Standards Enforced
- Documented Theft is Prosecuted



Operations Measurements



DAILY	Report all lineage and revenues; cash in bank Monitor against prior year and budget Review labor hours versus planned schedule
WEEKLY	Complete payroll information; review & adjust schedules Process all payables—record expenses in declining budget Complete weekly summary & review statistics versus benchmarks Invoice any charged events/record tax exempt sales Review league payment records
MONTHLY	Complete inventories and calculate values/COG % Reconcile bank statements & prize fund accounts Track accounts receivables-send statements as necessary Review/analyze profit & loss statement
ANNUALLY	Prepare budget for new year based on prior year & trends Complete competitive center review Revise strategic/marketing/operations plans Complete staff appraisals/adjust staff compensation



Operations Measurements



COMMON METRICS

- Average price per game: bowling revenue divided by paid lineage.
- Lines per bed: paid lineage divided by number of lanes.
- Food revenue per line: food sales divided by paid lineage.
- Bar revenue per line: bar sales divided by paid lineage.
- Check average: Total sales divided by guest count



Operations Measurements



COMMON METRICS

- Comparative Sales: any sales category compared to the same period of the prior year (usually expressed as a percentage)
- Staff Turnover: percentage of staff that is replaced during a measured period (usually one year)



Operations Measurements



COMMON METRICS

- Productivity: Revenue divided by number of paid labor hours.
- Labor percentage: Total wages (hourly & salaried) divided by total revenue.
- Controllable percentage: Controllable expenses divided by revenue.
- Frames per stop: number of bowling frames divided by pinsetter stops
- Turn time: average time between lanes off/on



Operations Measurements



VIEW SAMPLE WEEKLY SUMMARY



Operations Measurements



Workshop—Daily & Weekly Analysis

- ❖ Review 3 weeks of revenue/labor results
- ❖ Look for, and record issues/concerns
- ❖ Answer all 6 questions on the handout
- ❖ Elect a team spokesperson
- ❖ Record answers on flip chart pages
- ❖ Return in 90 minutes
- ❖ Spokesperson presents team's findings



Operations Measurements



BOWLING CENTER BENCHMARKS

From 2017 BPAA Benchmarking Study

- ❖ Revenue Benchmarks
- ❖ Expense Benchmarks
- ❖ Lineage Benchmarks
- ❖ Wages Benchmarks
- ❖ Advertising/Marketing Investment

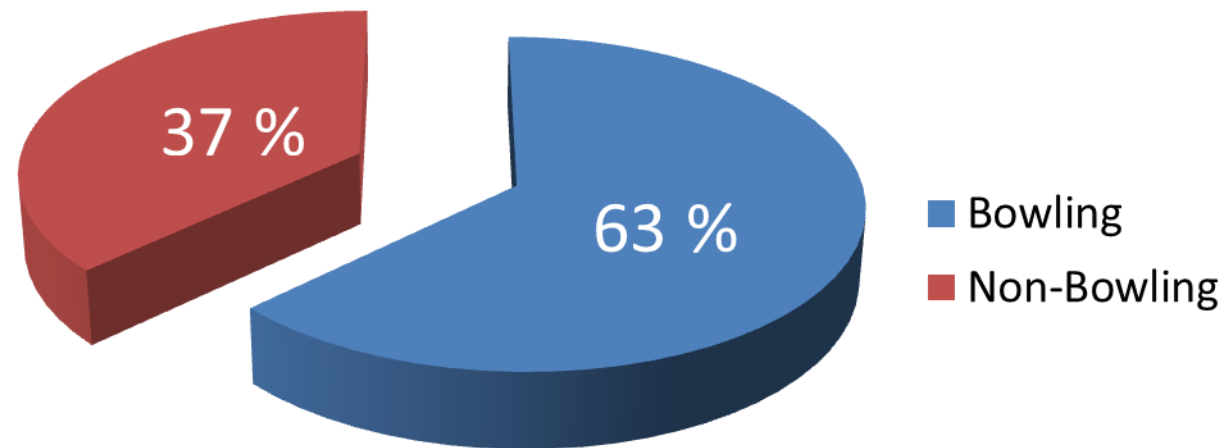


Operations Measurements



BOWLING CENTER BENCHMARKS

Sales 2002

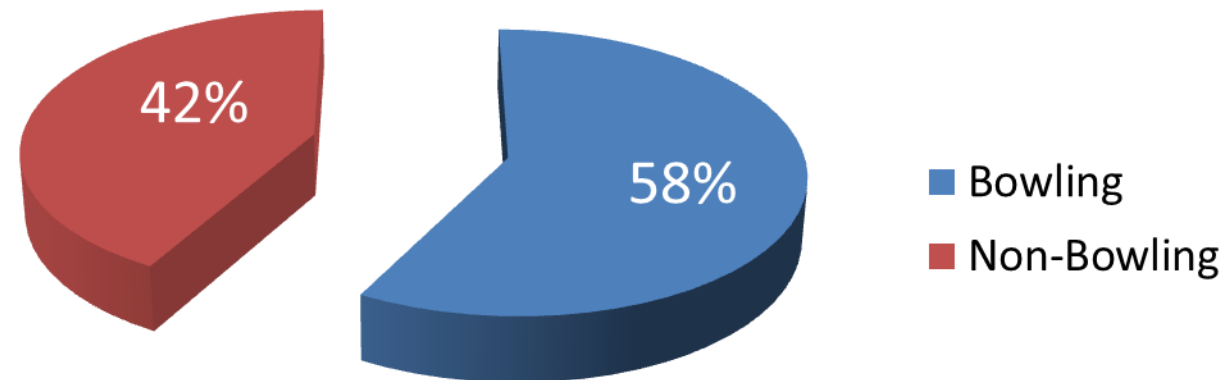


Operations Measurements



BOWLING CENTER BENCHMARKS

Sales 2006

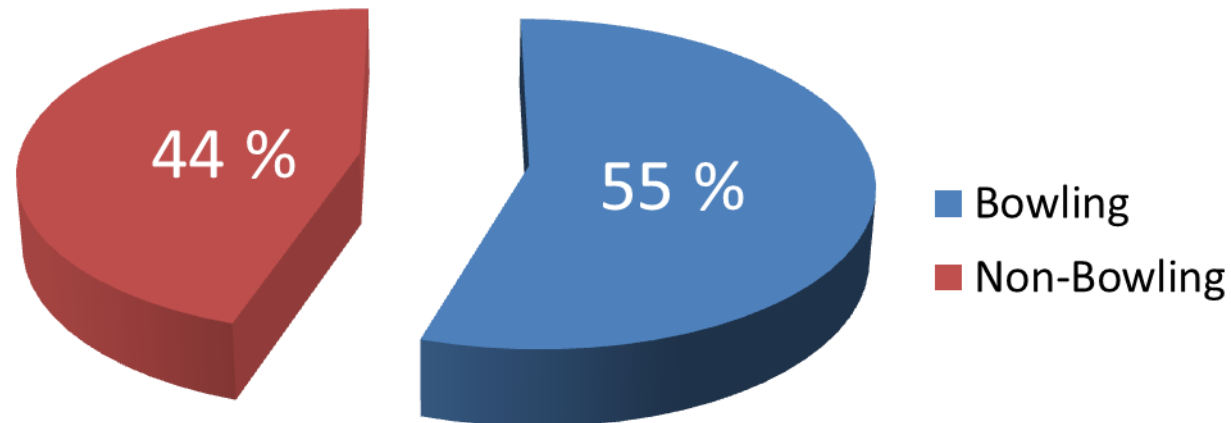


Operations Measurements



BOWLING CENTER BENCHMARKS

Sales 2012

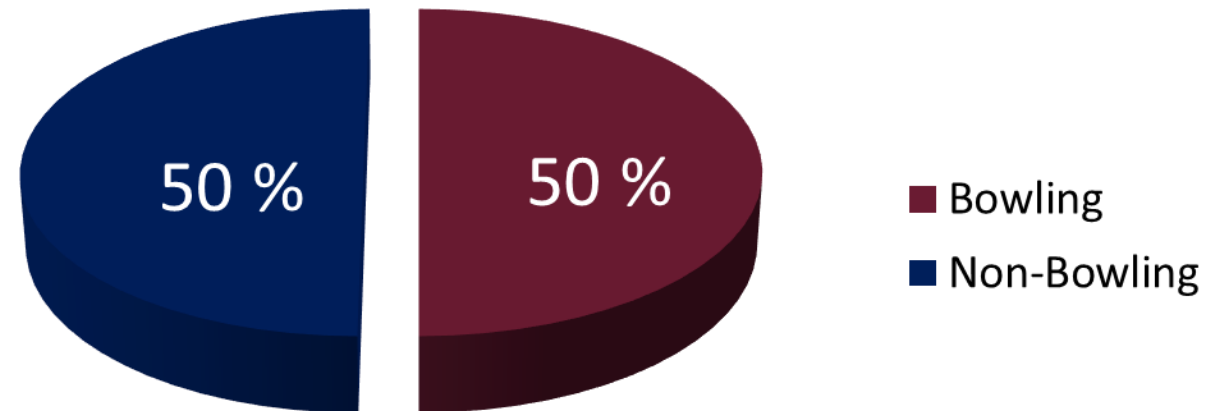


Operations Measurements



BOWLING CENTER BENCHMARKS

Sales 2015

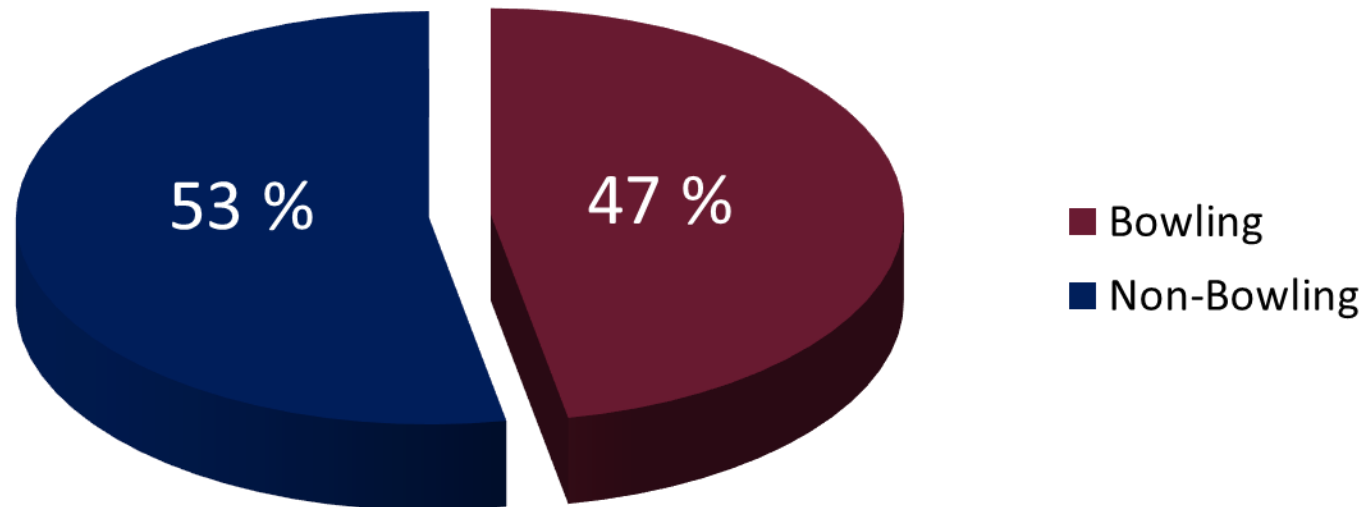


Operations Measurements



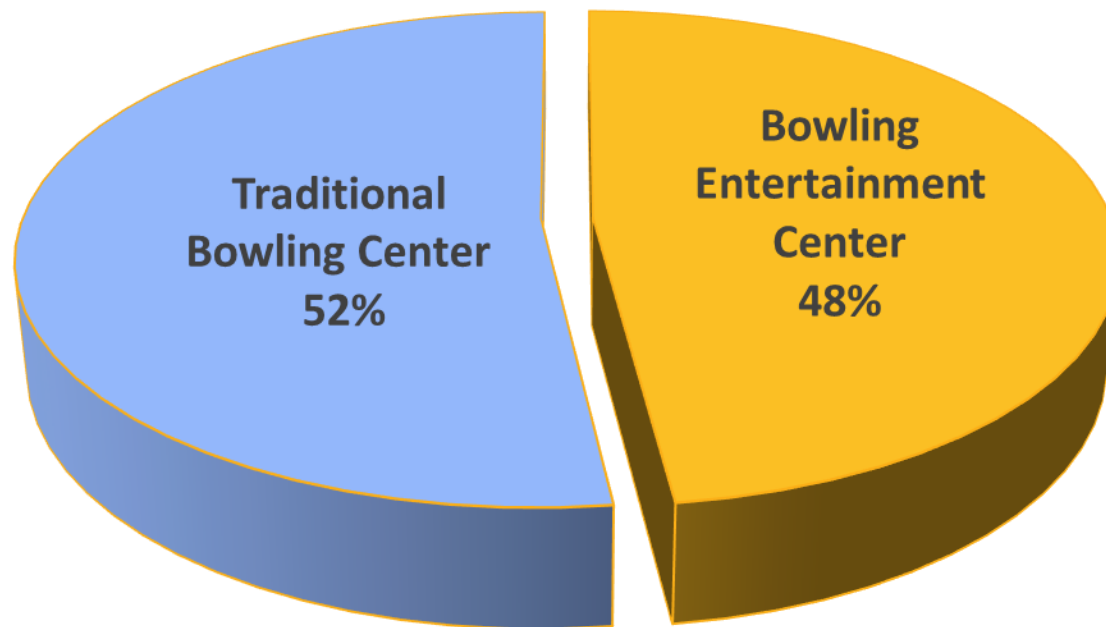
BOWLING CENTER BENCHMARKS

Sales 2017



BOWLING CENTER BENCHMARKS

Center Type Based On Revenue

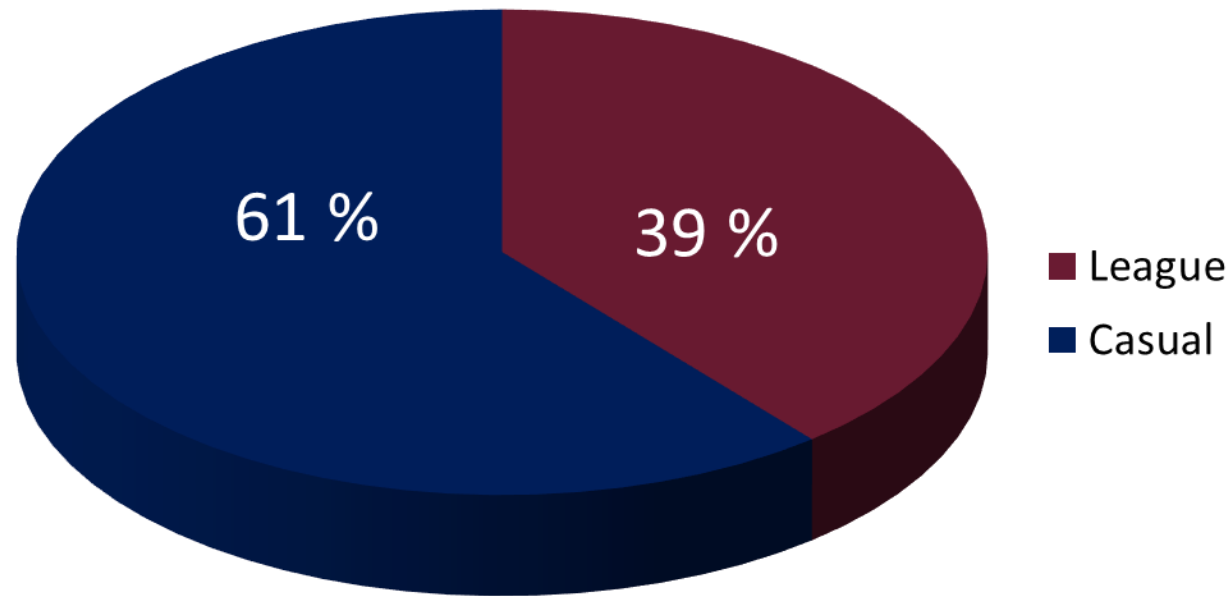


Operations Measurements



BOWLING CENTER BENCHMARKS

2015 Lineage



Average League Lines per lane: 2,471

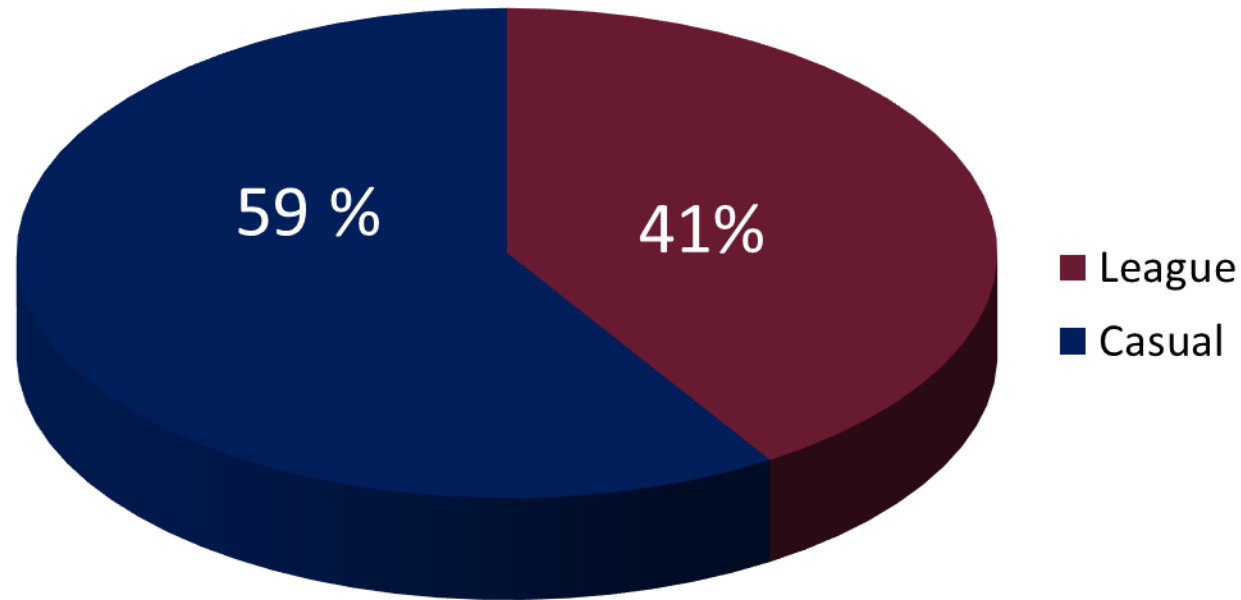
Average Casual Lines per lane: 3,847



Operations Measurements



BOWLING CENTER BENCHMARKS 2017 Lineage



Average League Lines per lane: 2,248

Average Casual Lines per lane: 3,708



Operations Measurements



BOWLING CENTER BENCHMARKS

Non-Bowling Profit Centers—Per Lane Averages

	2012	2015	2017
❑ Pro Shop:	\$781	\$885	\$880
❑ Bar:	\$8,419	\$10,217	\$10,782
❑ Snack Bar	\$6,328	\$6,268	\$5,982
❑ Restaurant	\$8,063	\$24,092	\$19,900
❑ Arcade	\$1,101	\$2,854	\$3,769
❑ Billiards	\$455	\$343	\$451

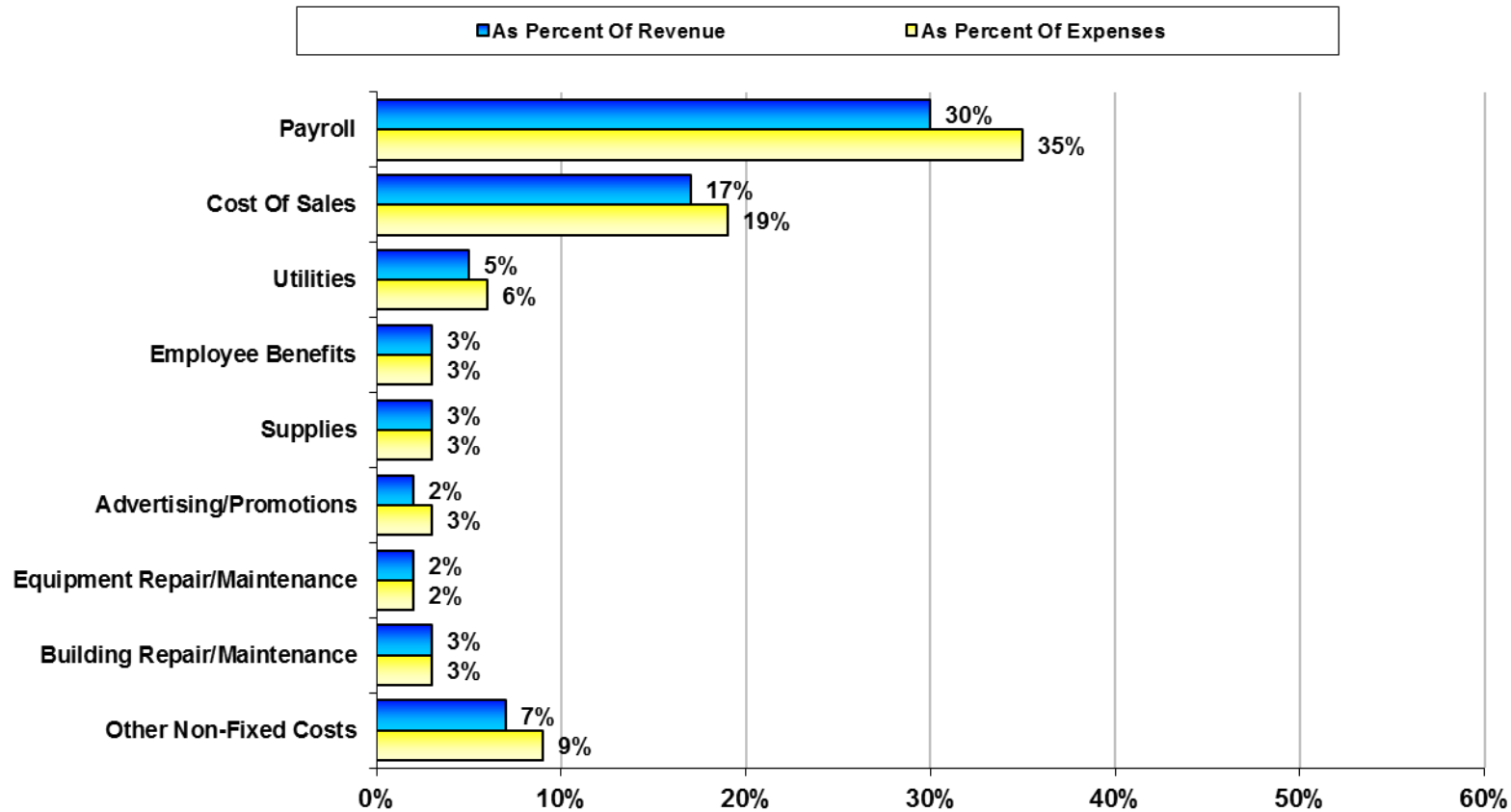


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BOWLING CENTER BENCHMARKS

Expenses Compared to Sales



Operations Measurements



BOWLING CENTER BENCHMARKS

Cost of Goods Sold Benchmarks

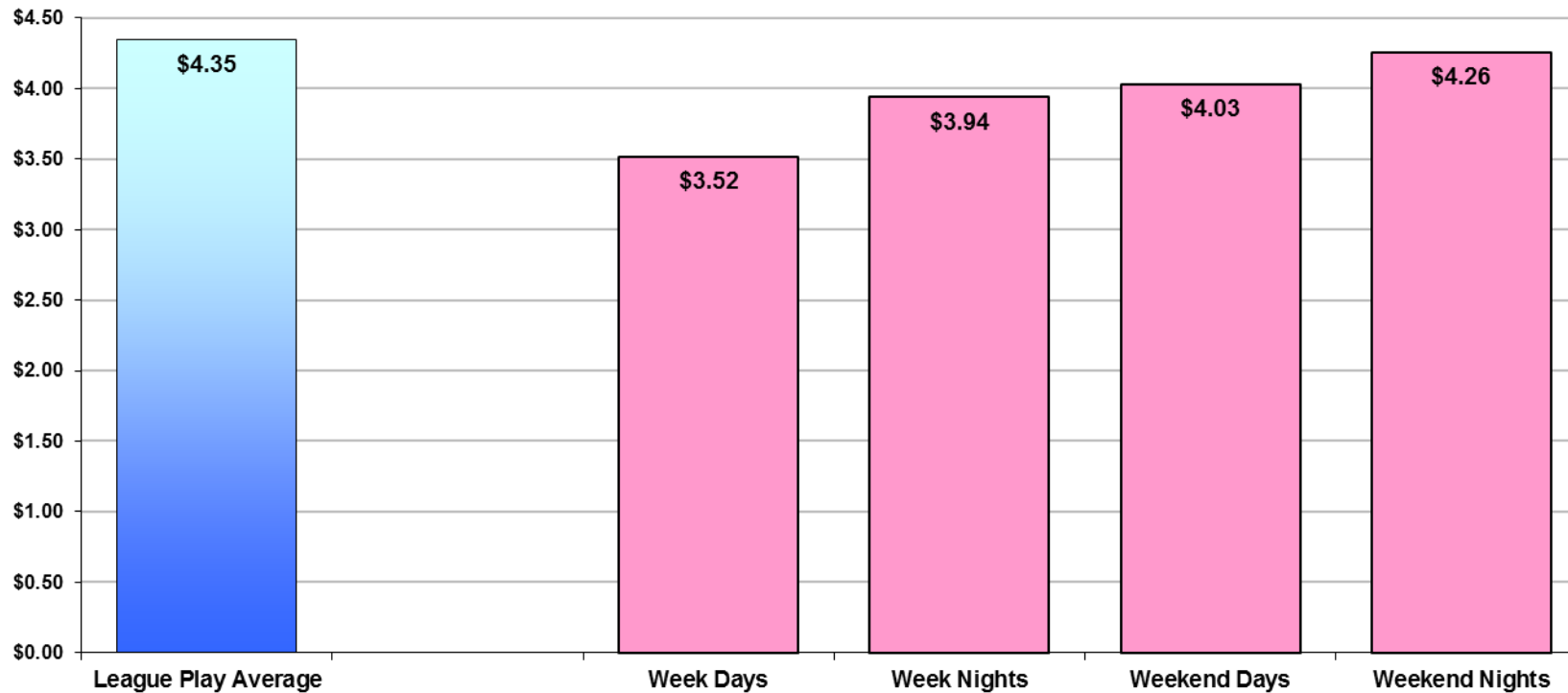
Bar	Liquor 20-25 % Bottle Beer 28-33 % Draft Beer 22-27 % Supplies 2%
Food	28-33 % of total inc. beverages Supplies 4%
Pro Shop	55-65 %
Vending	50-60 %



Operations Measurements



BOWLING CENTER BENCHMARKS



Open Play (Average Highest Price)



Operations Measurements



TIPS FOR MANAGING LABOR

- Hire slow, fire fast
- Hire easy, manage hard OR Hire hard, manage easy
- Invest heavily in staff orientation & training
- Commit to continuous training
- Give regular feedback to staff
- Communicate goals, vision, purpose, mission



Operations Measurements



TIPS FOR MANAGING LABOR

- Be competitive with wages and increases
- Load up with part time staff; minimize full time
- Practice “zero-based” staffing
- Practice quarter hour scheduling
- Utilize the art of cutting staff at the right time
- Cross-train to improve efficiencies
- Become a “Master Forecaster”



Thank You!



**LEARNING SO EFFECTIVE
YOU'LL NEED CROWD CONTROL.**



Fill Your Brain

Fill Your Lanes