

A 2026 Update: Information Operators Need to Understand the Health of Their Business

By Dennis Monroe

The restaurant industry, particularly companies that own multiple units of concepts, know the significant importance of having real time, unit-level financial information. There has been various software developed and other common approaches, in most cases it's the form of a dashboard where groups of stores display various matrixes concerning the store's performance, particularly same store sales, labor costs, cost of goods sold and other items owners think are key matrices. These dashboards can be prepared hourly, daily, weekly or monthly.

The question is are these dashboards providing the relevant information for the owner?

I had the opportunity to spend some time with Gregg Thomas, managing partner of Atelier CFO, until recently co-lead of BDO's national restaurant practice. Before joining BDO, he had his own fractional CFO company and developed processes with key restaurant companies that provided real understanding of a client business and industry perspective. Now with Atelier, Gregg supports restaurant CEOs with seasoned financial leadership and advanced AI for confident board-level decision making.

Gregg emphasized the following points:

- Misconceptions as to what you really need to look at and what you need to control. Most restaurant managers have an understanding of food cost, or they know what steps to take to improve it. When it comes to labor there has been a misguided thought process because we are looking at sales and in many cases per-labor hour. That's fine, but the prices have gone up 25% to 30% over the years since Covid. That being said, if you are performing at the same kind of labor number as prior to the price increases you are really losing ground in terms of cost control. A better approach is labor cost per guest and that works well, particularly with QSR.

Another approach would be a per transaction and labor hours per transaction. You can then capture labor costs

which includes in-store revenue, catering and in effect non-dine in profit centers. These profit centers have definitely grown since many dashboards were initially established. It also emphasizes the important of new profit centers, which I have mentioned in previous writings, are the key to sustained growth.

- Emphasizing sales (revenue). You should review it on a transactional basis versus check averages or by customer basis. Obviously, this leaves the revenue side into a product mix and what really is and isn't profitable, as well as what is and what isn't selling. AI is starting to permeate every aspect of the restaurant industry—that's why we need to look at the types of revenues that are regenerated and use AI industry comparisons to arrive at a correct valuation of performance.
- Loyalty programs. They can be great, but they need to be deeply analyzed with a true understanding of their costs and contribution to sustainable long-term sales.
- Social media. The idea of social media and branding is overstated, but what is more important is the use of social media and your websites for gorilla marketing that drive immediate sales. Additionally, we both believe sales growth is going to be dominated by AI, which is good because it will keep records and drive sales for the future and make sure everyone is getting the right information. It's a new world and new times.

There is a whole new paradigm that has emerged post-Covid and AI driven. So, there are four things to keep in mind:

1. You need to realize what the effect price increases have had and make sure your key costs are in line with these increases.
2. Develop other revenue sources, and capture them in most of your financial analytics. Makes sure you are taking advantage of AI in your analysis.

3. Ensure your social media is focused on current sales opportunities, not just branding.
4. Finally, when it comes to loyalty programs confirm you are getting long-term sales increases from loyal customers, not just bargain sales.

There are so many new sources of information that can help you determine the health of your business. Be sure to take advantage of these opportunities in 2026.

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