



**BLACK BOX**  
INTELLIGENCE

# HOW TO LOOK AT YOUR RESTAURANT DATA IN THE WAKE OF CORONAVIRUS



## ELIMINATING 2020 NOISE

Obviously sales were disrupted in early 2020, largely affecting your same-store sales data and how you look at it. Comp sales and traffic are important metrics that help you analyze your performance but this year there is a lot of noise in the data. As you might expect, the restaurant industry shows huge growth when comparing sales to when restaurants were almost completely shut down.

Understandably, you might not find as much value to knowing you're up in 2021 while looking at year-over-year data. What you really want to know is how you are performing when conditions are normal and operations are at 100%.

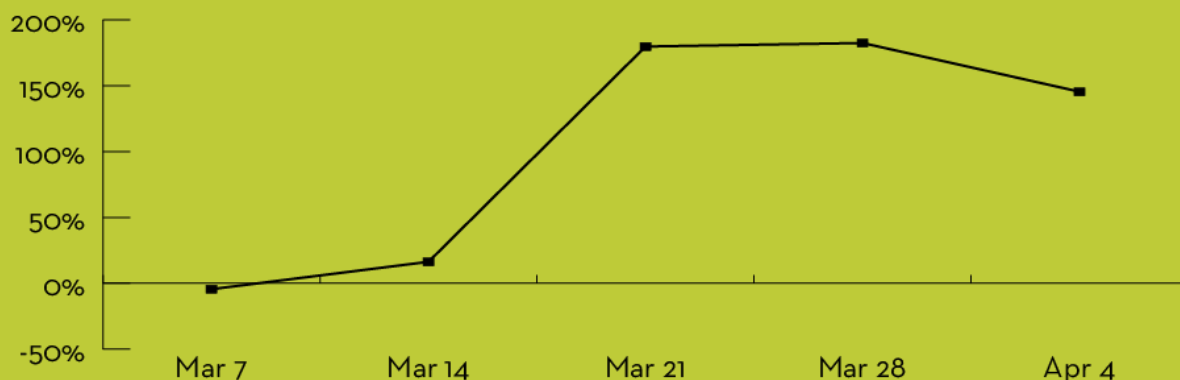
## SOLUTION: 2-YEAR METRICS

Instead of looking at year-over-year growth, this year you will find more meaningful insights with 2-year metrics, at least for your financial data. This will help give you a clearer picture of how your performance compares to "normal" times, with no dining restrictions or consumer concerns about going out.

Looking at your data this way will help you answer "when are we getting back to normal?"

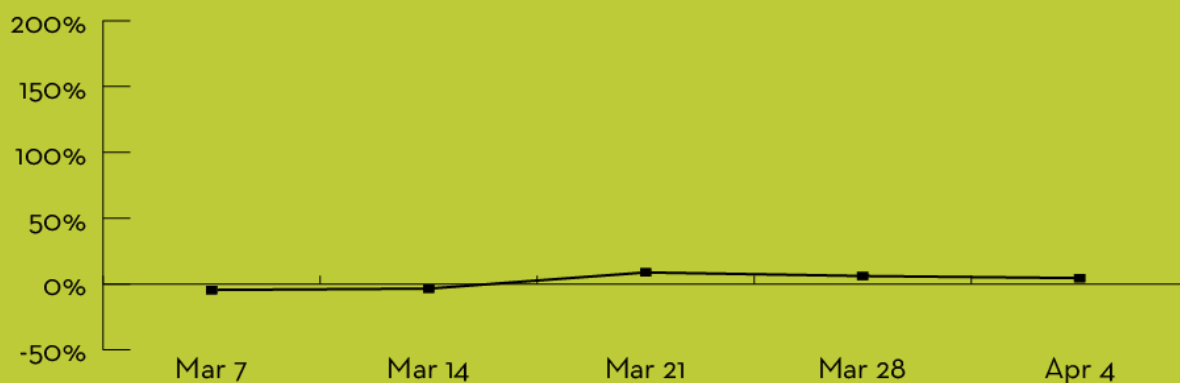
# YEAR-OVER-YEAR WEEKLY COMP SALES FOR MARCH

Initially these results look impressive, and aren't surprising given the circumstances dealt in March 2020. Sales growth nearing 200% during one week is encouraging, to say the least, but doesn't paint the whole picture.



# 2-YEAR WEEKLY COMP SALES FOR MARCH

With 2-year numbers, we can draw more meaningful analysis. With the noise filtered out, we are able to see a more accurate representation of growth for the industry.



# WHAT METRICS NEED 2-YEAR NUMBERS?

Most financial reporting revolves around year-over-year growth. For restaurant operators, comp sales and traffic are your staple when looking at performance. Because you are specifically trying to figure out whether or not your sales are growing, your 2021 year-over-year sales data might not be as meaningful. This is why you should look at 2-year growth instead.

## **But what about your workforce or guest data?**

The 2-year comparison may be helpful sometimes, but overall you can still rely on your normal metrics, whether it is year-over-year, rolling 12 or a quarter-over-quarter basis. When it comes to people practices, you are more concerned with a specific point in time whether it is turnover, salary, diversity or staffing levels. In these cases, the shift to 2-year numbers is not needed.

The same goes for guest data. Is additional traffic creating pressure on your service scores? Are your ambiance scores going up or down as more people start to eat at restaurants? To know how your guests feel, you still want access to real-time feedback. The real magic happens when you combine all three: 2-year financial data, workforce metrics and guest satisfaction. Once you have a clear picture of your sales from a 2-year growth perspective, you can more closely identify the effects of your sales and traffic on your operations and vice versa.



# HOW LONG WILL WE NEED 2-YEAR NUMBERS?

Hopefully by early 2022 the sales comparison will be a lot cleaner. The March - April time frame in 2020 experienced the largest drops in sales and traffic, followed by another decline in Q4. This leads to considerable distortion in year-over-year numbers. In the meantime, it will be best to look at the 2-year numbers until then to keep it consistent.

# HOW WILL THIS AFFECT HOW WE LOOK AT DATA IN THE YEARS TO COME?

Once the dust settles and we can go back to looking at year-over-year data, you will still want the ability to look at both. There will be a period in the future when you want to look at a longer time series, and at some point even the 2-year data will lap over pandemic numbers; thus eventually, the year-over-year data becomes more valuable again. Ultimately, you will need the ability to look at both for the foreseeable future.

## WHERE CAN I GET MY 2-YEAR NUMBERS?

Simply **login in to your Black Box Financial Intelligence dashboard!** If you have any questions, reach out to your Client Success rep.

*What if I am not a Black Box client?*

**Book a call** with a product expert today to find out how we can help you optimize your restaurant performance.