

Where the money is leaking.

Fernando's Grill

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Report type Financial Diagnostic (sample)

Data window Trailing 18 months

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PART 1

Financial Diagnostic

\$1,990 tier · A cost-and-margin diagnostic built from your POS, payroll, and supplier records. This sample shows the structure and depth of the delivered report. All figures are illustrative.

Executive summary

Fernando's Grill is a fundamentally viable restaurant caught in a margin squeeze, not a demand collapse. Revenue is down modestly while **prime cost has risen 9.3 points of sales** over 18 months, cutting net margin from 8.2% to roughly 3.0%. The headline finding: the single largest driver is not traffic — it is cost discipline. Food cost alone drifting from 29.0% to 35.0% represents about **\$7,100 per month, or \$85,000 annualized**, on today's revenue. The business is not failing; it is leaking.

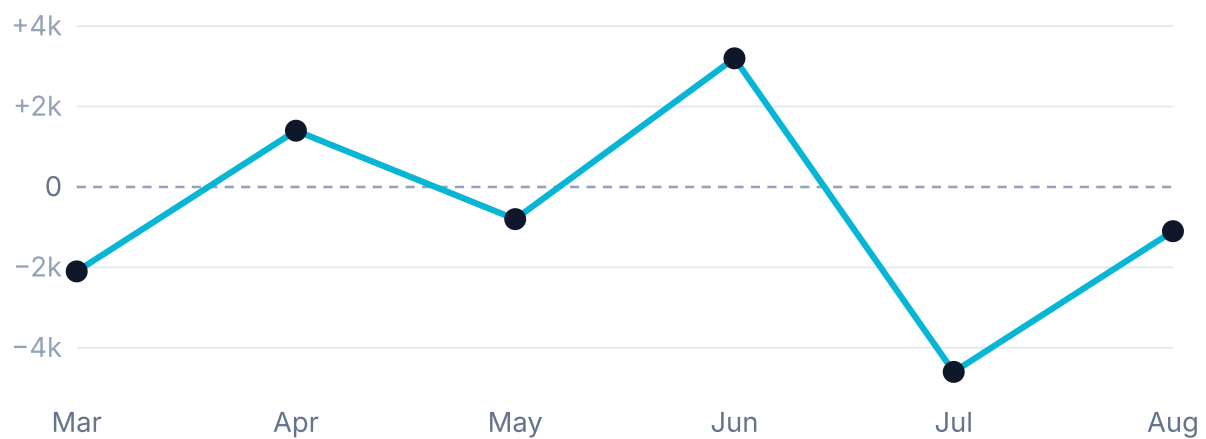
Historical performance snapshot

METRIC	18 MONTHS AGO	TODAY	CHANGE
Revenue (monthly average)	\$126,500	\$118,400	-6.4%
Food cost (% of revenue)	29.0%	35.0%	+6.0 pts
Labor cost (% of revenue)	30.5%	33.8%	+3.3 pts
Prime cost	59.5%	68.8%	+9.3 pts
Net margin	8.2%	3.0%	-5.2 pts

Revenue declined 6.4% while prime cost consumed 9.3 additional points of every dollar. Margin compression is a cost problem wearing a revenue costume.

Cash flow analysis

Cash generation has deteriorated from consistently positive to break-even with recurring negative months. Over the trailing six months the operating account swung between +\$3,200 and -\$4,600, with three negative months and no reserve built to absorb them. This is a slow bleed rather than an acute crisis: the operation still funds itself, but produces no cushion — which means no capacity for equipment failure, seasonality, or growth. **ILLUSTRATIVE**



Net operating cash flow by month, trailing six months. Illustrative figures — a real engagement uses your bank and POS data.

Inventory and supply chain findings

- **Portion sizes have drifted upward on two signature dishes.** Current yields run roughly 11% above the original specification, and neither dish has been re-costed since the spec was written.
- **One dish has sold below cost since a supplier increase eight months ago.** The invoice changed; the menu price never did.
- **No waste log is kept.** Spoilage and over-portioning are invisible — and an unmeasured cost is an unmanaged one.

Diagnostic findings report

FINDING	EST. MONTHLY IMPACT	PRIORITY
Food cost drift, 29.0% to 35.0% of sales	\$7,100	HIGH
Below-cost menu item, uncorrected for 8 months	\$1,250	HIGH
Labor over-scheduling against Tuesday–Wednesday covers	\$2,300	MEDIUM
Unrecorded waste and spoilage (estimated, unmeasured)	\$1,600	MEDIUM
Unpriced delivery-channel commission absorbed by the house	\$900	LOW
Total identified monthly opportunity	\$13,150	—

Estimated impacts are gross opportunities, not guaranteed recoveries. Each figure is traced to a source document in the full engagement file.

Recommendations

ACTION 1 · 30 DAYS

Re-spec and re-cost the two signature dishes.

Weigh every component, rewrite the spec card, re-train the line, and re-cost against current invoices. This alone addresses the largest single line in the findings.

ACTION 2 · 14 DAYS

Fix or remove the below-cost item, then renegotiate the increase.

Reprice to a defensible margin or replace it. Take the eight-month-old supplier increase back to the table with volume data in hand.

ACTION 3 · 7 DAYS

Start a daily waste and comp log. Review it weekly.

One page, filled in nightly. You cannot manage \$1,600 a month you cannot see — the log converts an estimate into a number.

ACTION 4 · 21 DAYS

Rebuild the Tuesday–Wednesday schedule around actual covers.

Match labor hours to the sales curve rather than to habit. Target eight to ten recovered hours per week without touching service quality.

INCLUDED IN THE FULL FINANCIAL PACKAGE

Part 2 — Full Financial Package

\$2,990 tier · Everything in the Diagnostic, plus the deliverables below. This section shows only what is added.

Formal Financial Analysis Report — lender- and investor-ready statements

5-Year Cash Flow and Expansion Plan — projections, not just history

Feasibility Study — scored go / no-go on your next location

Menu Re-engineering — popularity versus profitability, item by item

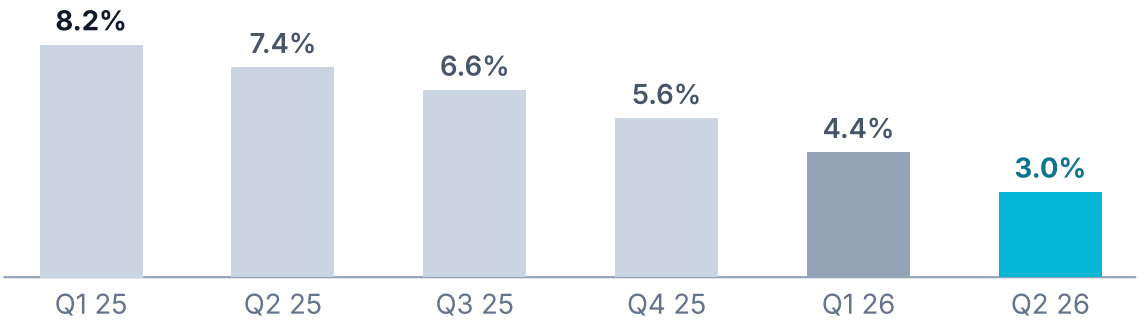
PART 2

Full Financial Package

The additions below turn a diagnostic into a decision document — the pack you hand to a lender, an investor, or a partner. All figures are illustrative.

Formal Financial Analysis Report

STATEMENT OF OPERATIONS — SUMMARY	MONTHLY	ANNUALIZED	% OF SALES
Revenue	\$118,400	\$1,420,800	100.0%
Cost of goods sold (food and beverage)	\$41,440	\$497,280	35.0%
Labor (wages, taxes, benefits)	\$40,016	\$480,192	33.8%
Prime cost	\$81,456	\$977,472	68.8%
Overhead (rent, utilities, insurance, marketing, admin, depreciation)	\$33,390	\$400,680	28.2%
Net profit	\$3,554	\$42,648	3.0%



Net margin by quarter, six-quarter trend. Q1 25 is the 18-months-ago baseline (8.2%) shown in the Historical Performance Snapshot; Q2 26 is the current position (3.0%). Illustrative figures. In a live engagement this page carries full statements, variance notes, and the accountant's reconciliation.

5-Year Cash Flow and Expansion Plan

PERIOD	PROJECTED REVENUE	YEAR-END NET CASH POSITION
Year 1 — Stabilize	\$1,420,800	\$42,600
Year 2 — Recover margin	\$1,495,000	\$96,400
Year 3 — Second location opens	\$2,310,000	\$118,900
Year 4 — Consolidate	\$2,540,000	\$176,300
Year 5 — Scale	\$2,690,000	\$241,500

Modeled expansion to a second location in Year 3. The plan sequences recovery before growth: margin repair funds the down payment rather than debt. **ILLUSTRATIVE**

Feasibility Study snapshot

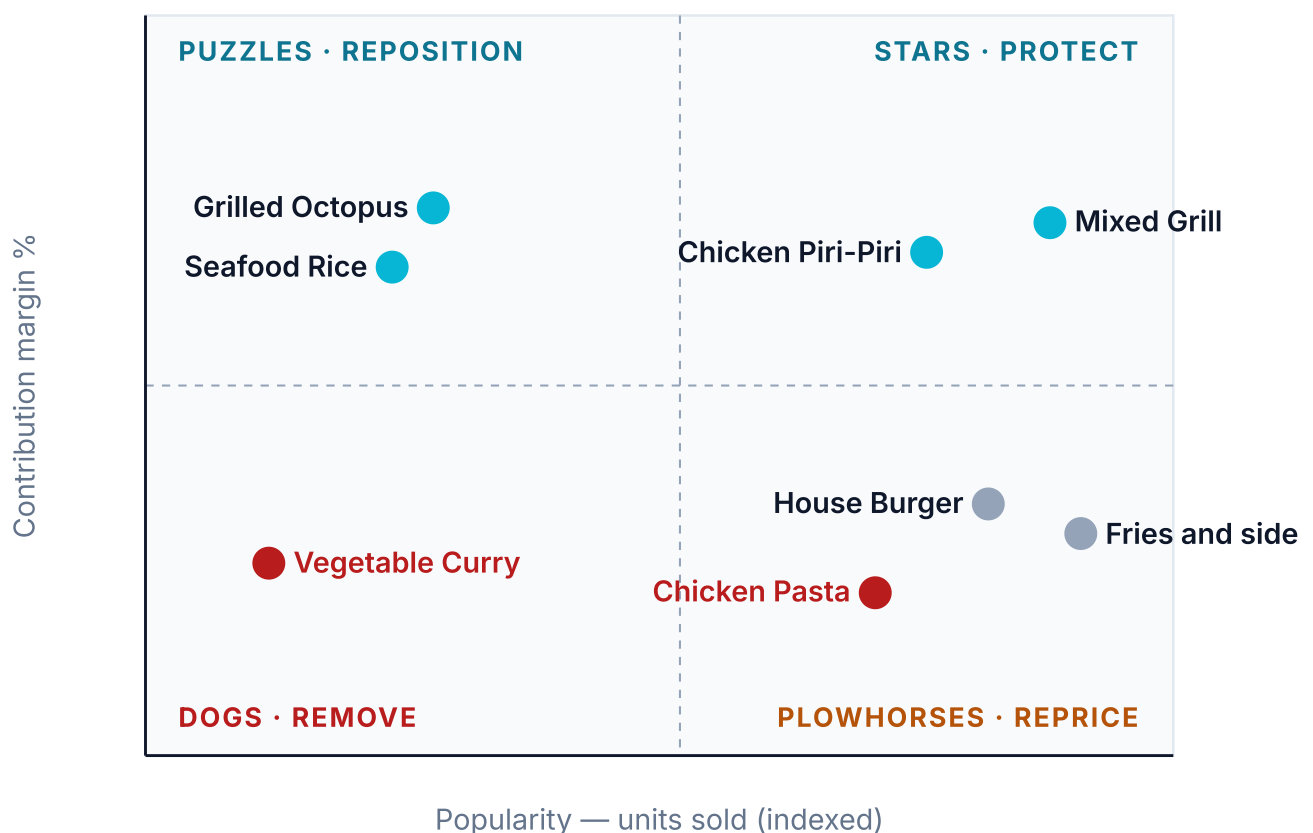
Scored against a hypothetical second location — sample scorecard, half a page, same format as the full study.

CRITERION	SCORE	READ
Market demand	8 / 10	Strong — growing daytime population within 2 miles
Competitive position	6 / 10	Moderate — several direct competitors, none with your concept
Site quality and visibility	7 / 10	Strong — corner frontage, existing parking
Rent-to-revenue ratio	8.4%	Passes — inside the 8–10% guideline, no room for a soft opening
Labor availability	5 / 10	Caution — tight market for experienced line cooks
Capital requirement vs. available cash	6 / 10	Moderate — viable only after Year 2 margin recovery

OVERALL RECOMMENDATION

Caution — proceed, conditionally

Demand and site support the move. Sequencing does not: the location works only after the existing store's margin is repaired. Re-score after two quarters of recovered margin.

Menu Re-engineering snapshot

Sample menu engineering matrix, eight items plotted by popularity against contribution margin. Illustrative positioning.

The repricing target is the right half of the chart. **House Burger and Fries and sides** sell hard but contribute little — a \$1.50 to \$2.00 adjustment on both moves them up a quadrant without touching volume. **Chicken Pasta** is not a plowhorse, it is a bleeder: sell it at a corrected price or take it off. In the left half, **Grilled Octopus and Seafood Rice** earn well and sell poorly — these get repositioned with a server script and a menu placement change, not a price change. **Vegetable Curry** earns little and sells little; it is removed and replaced with a higher-margin seasonal item. **Mixed Grill and Chicken Piri-Piri** are protected: no price change, no spec change, no risk.

This is a sample.
Your report is built from your real
numbers.

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