

# CASE STUDY: DECREASING LABOR COSTS

# +\$100,000

Annual Labor Cost Savings



**EPIC**  
STEAK



*Waterbar*

## THE CHALLENGE

When San Francisco restaurateurs Pat Kuleto and Pete Sittnick opened Waterbar and Epic Steak, they experienced tremendous success with limitless demand. But when the recession hit at the end of 2008, and they saw an approximate 20% drop in business. With this change in business volume, and change in guest spending behavior, Kuleto and Sittnick had to be a lot more conscientious of prime costs, specifically their high labor costs.

## THE SOLUTION

Pete held his managers at each location accountable for managing their labor costs, and empowered them with increased visibility into their FOH and BOH operations. Using Avero's Labor solution, Pete and his managers reviewed their labor summary report each day for weekly overtime trends, identified discrepancies, and made appropriate adjustments to avoid unnecessary overtime entries. He then benchmarked their locations to optimize staffing based on fluctuating demand.

## THE RESULTS

By implementing strong labor management practices using Avero's Labor solution, Pat and Pete ultimately cut their annual labor costs by roughly \$100,000 across both restaurants, and have continued to see the benefits of labor savings over a multi-year span.

“If you're going to manage your P&L, you cannot wait for the end of the period and then review, because it just perpetuates inefficiencies. You would already be halfway through the next period before you made a change.”

Pete Sittnick  
Managing Partner  
Waterbar and Epic Steak