

CONTROL THE MISCELLANEOUS BAR COSTS

There are many other costs to control in a bar other than food, beverage alcohol and labor. I refer to them as “miscellaneous cost areas”, and their value cannot be overlooked.

Here are 22 suggestions for tightening up costs, thereby putting more money toward the bottom line.

- 1) **Use coasters instead of napkins.** Coasters Are reusable, 10-15 times each.
- 2) **Make your own Sweet and Sour mix.** (Recipe: 12 oz. lemon juice, 2 oz. lime juice, 18oz. water, 1/3 cup sugar, 1 egg white.)
- 3) **Use a Bloody Mary pre mix.** Don't make your own Bloody Mary mix – it's not worth the hassle and sooner or later one of your bartenders is going to make it their way instead of following your recipe.
- 4) **Put timers on all air conditioner/heater thermostats** – then put lock boxes on all thermostats. Employees are notorious for adjusting the temperature in the room to their satisfaction. This is a management function and must be controlled. Have the air conditioner/heater shut off automatically one hour before closing and have it come back on one hour before opening.
- 5) **Consider using acrylic glassware instead of glass.** Not suggested for all bars. Goes over well in some sports bars, outdoor type bars, etc. Doesn't break. Bartenders are able to scoop ice into glass without using an ice scoop, legally. A good long term investment as long as somebody catches the customers leaving with the glass through the front door.
- 6) **If your house pour for a “shot” is 1 ¼ oz make sure your highball glass is no bigger than 9 oz.** If you're pouring one ounce “per shot”, make sure your highball glass is no larger than eight ounces.
- 7) **NO free drinks for owners/managers.** Set an important example to your staff.
- 8) **Eliminate oranges for a garnish.** Too expensive. If you're going to use oranges for a garnish (flags – orange slice with cherry), then you may as well get fresh strawberries for your strawberry daiquiris.
- 9) **Reduce the amount of liquor in frozen drinks.** There is no law that says you *must* put in 1 oz. or 1 ¼ oz of liquor in any frozen drink. If it's an alcoholic beverage it must have some alcohol in it. It doesn't *have* to have a full shot. People who order a strawberry daiquiri do so for the taste of the strawberries, not the liquor. The taste of liquor actually takes away from the fruity flavors of pina coladas and strawberry daiquiris.

- 10) **Go to non-alcoholic triple sec, crème de banana, crème de cacao, blackberry brandy.** These are flavoring, modifying agents used in many recipe drinks and shooters. As long as the primary ingredient in a drink is a liquor that contains alcohol, you don't need alcohol in the flavoring cordial/liqueur.
- 11) **Promote, or discount, with draft beer, not bottled beer.** Draft beer costs approximately 2 ½ - 3 cents an ounce. Bottled beer costs approximately 5 – 5 ½ cents an ounce. Ounces add up quickly!
- 12) **Buy a decent commercial blender!** If you're making frozen drinks regularly and you don't have an Island Oasis or Tropical Illusion frozen drink machine, then spend \$300-400 on a commercial blender and stop going to WalMart or Sears for their blenders that only last a short time. Get a good one that comes with a warranty. It will save you money in the long run.
- 13) **Buy off brand grenadine and lime juice.**
- 14) **Eliminate FREE POUR.** Use Posi Pours or go to measuring with a shot glass or jigger. Your pouring cost percentage will come down 8-15% - I guarantee it!
- 15) **“Outsource” your employees to an employee leasing company.** Approximately 25% of all Florida businesses are employee leased. There must be something to it! This concept is perfectly suited for the hospitality industry. This very smart business move gives you a considerable savings on your annual workers compensation premium (savings \$10-20,000 depending on loss runs), and handles all your unemployment compensation cases. More importantly, your employees are offered benefits you cannot afford to give them, such as limited medical insurance for \$6.95 per week, a 401K plan, internet access to the company and much more. Employee leasing companies do your payroll and are responsible for all human resource/personnel matters. You continue to hire and fire and operate your business as you normally would. The employee leasing company handles your entire administrative function. Call me 800-447-4384 or the MLBA for more information about this concept you need to take advantage of.
- 16) **Take the tip credit!** If tips are good at your place of business, take the tip credit up to \$3.02 per hour from the \$5.15 per hour. Let the customers pay the employees in the form of their “tip”. If your bartender/server is making an average of \$60 + per night in tips, you should be taking a tip credit.
- 17) **Deduct 30 minutes from hourly employees who take a break after 4 hours of employment.** After four hours on an hourly employee's time on their time card, deduct 30 minutes from their total time for that day – if they actually took a break. Employment law mandates that employers must give their employees up to 30 minutes for a break sometime between the fourth and sixth hour of employment (it could be 3, 10 minute breaks). The employer does not have to pay the employee for their break time. Employees who smoke very definitely should be deducted 30 minutes over 4 hours of employment. You know they are smoking a cigarette somewhere during their time on the clock.
- 18) **Send employees home early if the business is not there.**

- 19) **Forecast your labor cost daily, by the shift.** Know when to schedule heavy, or light, depending on the amount of business you will probably have for each day.
- 20) **Avoid costly workers' compensation claims by utilizing risk management strategies.** For example:
 - a) back support belts when lifting kegs of beer, or cases of bottled beer.
 - b) rubber mats behind the bar for support and slippage.
 - c) A wedge slicer for bartenders who have to cut fruit daily.
- 21) **Use ounce counting control technology systems for all draft beer taps.**
- 22) **Sell house wine "by-the-glass" from 187 ml bottles,** not from the three Liter or 1.5 Liter bottles. You can count them the same as bottled beer – therefore, so much easier to control.