



From the Kitchen to the Boardroom

How Owners & Chefs Build Profitable, Aligned Catering Companies



Session Focus

What This Session Is (And Isn't)

- **This Session IS:**

- A leadership conversation
- Focused on a practical alignment framework
- Aimed at developing a shared language between owners and chefs

- **This Session IS NOT:**

- A culinary demonstration
- A finance lecture
- A blame session

The Core Problem: Missing Alignment

Many catering companies struggle due to a significant lack of alignment across key business functions. This often manifests as:

- ****Culinary vs. Financial:**** Decisions made without understanding their financial implications.
- ****Ownership vs. Operational:**** Strategic decisions lacking visibility into day-to-day operational realities.
- ****Sales vs. Kitchen Capacity:**** Promises made that exceed the capabilities of the kitchen systems.
- ****Unclear Margin Responsibility:**** Ambiguity regarding who is accountable for profit margins.



This situation is not indicative of incompetence, but rather a critical gap in operational and strategic alignment.



Profitability Isn't Just About Great Food

Talent, sales, and reputation are crucial, but true financial success hinges on organizational alignment.



Key Areas of Impact

Where Profit Is Really Won (And Lost)

Profitability hinges on disciplined, daily decision-making. Small, compounding errors can erode margins significantly:

- **Menu Design:** Decisions lacking clear margin targets can lead to underpriced items and reduced profitability.
- **Labor Scheduling:** Inefficient scheduling without productivity metrics results in overstaffing or understaffing, impacting labor costs and service quality.
- **Equipment Purchases:** Acquiring assets without a clear Return on Investment (ROI) analysis can tie up capital and yield minimal returns.
- **Last-Minute Changes:** Frequent, unmanaged alterations to plans or operations without cost accountability introduce unexpected expenses and reduce overall efficiency.

When Ownership & Culinary Are Not Aligned

Divergence leads to financial strain, operational chaos, and stalled growth.

Common Chef Assumptions vs. Reality

The Culinary Blind Spot

- **Common Chef Assumptions:** "Ownership just cares about numbers." "Sales overpromises." "Finance doesn't understand execution."

The Reality: Without financial fluency, influence decreases.

- **Modern Chefs Must Understand:** Margin structure
Labor modeling
Contribution by event type
Growth economics



Financial literacy is key to kitchen leadership and organizational impact.

The Ownership Blind Spot



- **Kitchen Margin Assumptions**

Owners often assume the kitchen staff understands financial margins.

- **Financial Needs Awareness**

Owners assume their financial needs are understood by others.

- **Sales Pricing Accuracy**

Owners assume sales teams will price products or services correctly.

Without clearly defined, measured, and reinforced targets, alignment becomes guesswork.

The Ripple Effect

Every decision, particularly those concerning the menu, creates a chain reaction impacting multiple departments. Consider how a single menu adjustment can touch upon:

- **Culinary:** Affects prep time, labor allocation, ingredient sourcing, and recipe complexity.
- **Warehouse & Procurement:** Influences ordering quantities, inventory management, storage needs, and potential waste.
- **Sales & Marketing:** Changes pricing strategies, impacts proposal development, and requires updated promotional materials.
- **Operations & Front-of-House:** Requires adjustments in staffing, service execution, training, and customer interaction.
- **Accounting & Finance:** Modifies food costs (COGS), impacts profit margins, and necessitates updated financial forecasting.



Understanding these interconnected impacts is crucial for informed decision-making and operational efficiency.

Why Strong Kitchens Still Struggle Financially



- **Undefined Labor Percentage Targets**

Lack of clear goals for labor costs as a percentage of revenue leads to uncontrolled expenses.

- **Lack of Food Cost Ownership**

When no single person or team is accountable for managing food costs, waste and overspending can occur.

- **Creative Freedom Without Financial Guardrails**

Unchecked culinary innovation can lead to expensive ingredients or complex dishes that don't align with profitability goals.

- **Menu Complexity Exceeding Sales Volume**

An overly complex menu can strain kitchen operations, increase waste, and dilute focus, especially if sales volumes don't justify the variety.

- **Growth Without System Evolution**

Expanding operations without adapting or improving underlying systems creates inefficiencies and strains resources.

Talent without structure leads to pressure, often manifesting as financial instability.

A chef in a white uniform and hat is shaking hands with a man in a dark suit and tie. The background is a blurred kitchen setting.

A Leadership Initiative for Culinary & Business Alignment

This initiative transcends culinary or financial silos, aiming to foster a shared understanding between owners and chefs, leading to improved decisions, strengthened margins, deepened trust, and the cultivation of effective future leaders.

Alignment Framework: 5 Core Questions

A truly aligned company can answer these critical questions:

1

Target Culinary Labor Percentage

Define the desired percentage of labor costs relative to culinary sales.

2

Target Food Cost Percentage

Establish the ideal percentage of food costs relative to food sales.

3

Margin Ownership by Event Type

Identify who is responsible for margin targets within different event categories.

4

System Support Capability

Assess the complexity level that current systems can effectively manage.

5

Target Adjustment Procedure

Outline the process for correcting deviations when targets are not met.

Lack of clarity in these areas leads to inevitable misalignment.

Real Alignment in Action

When owners and chefs operate from a shared understanding, you see:



Confident Pricing

Reflecting true costs and value.



Decreased Cross-Department Friction

Seamless operations.



Intentional Menu Design

Strategic and efficient offerings.



Sustainable Growth

Long-term viability and expansion.



Stable Labor

Improved retention and morale.

Alignment simplifies operations and reduces stress, fostering a more effective and harmonious work environment.

A Practical Playbook for Alignment



- **Define Margin Guardrails**
Establish clear financial boundaries to ensure profitability and cost control.
- **Share Financial Context with Culinary Leadership**
Equip leaders with a clear understanding of financial performance and implications.
- **Review Labor Weekly**
Implement a consistent process for monitoring and managing labor costs and efficiency.
- **Simplify Menus Before Adding Complexity**
Optimize existing offerings and operations before introducing new items to maintain focus and quality.
- **Align Incentives with Performance**
Motivate teams by directly linking rewards to achieving key business objectives.

Focus on clarity before expansion.



Kitchen + Ownership: The Future of Catering Leadership

Building sustainable companies requires collaboration and shared understanding from the kitchen to the boardroom.

Let's do great things together.

**Thank you joining us
today and stay in touch.**

