

A CANDID
(and very important)
CONVERSATION
ABOUT NUMBERS

catersource[®] + **THE SPECIAL EVENT**[®]

MEET DIANNA

Spreadsheet Sorceress

Trailblazing Leader

Business Maverick with a Midas
Touch

Merger Maestro & Hospitality
Connoisseur

Accounting Alchemist

From Lab to Limelight Innovator

Comeback Queen





MEET CHRIS

Dad's Kitchen Protégé

Award Winning Visionary Leader

Epicurean Trailblazer &
Hospitality Virtuoso

Mentor and Team Builder

Architect of Unforgettable
Experiences

Resilient Problem Solver



THE LUX GROUP



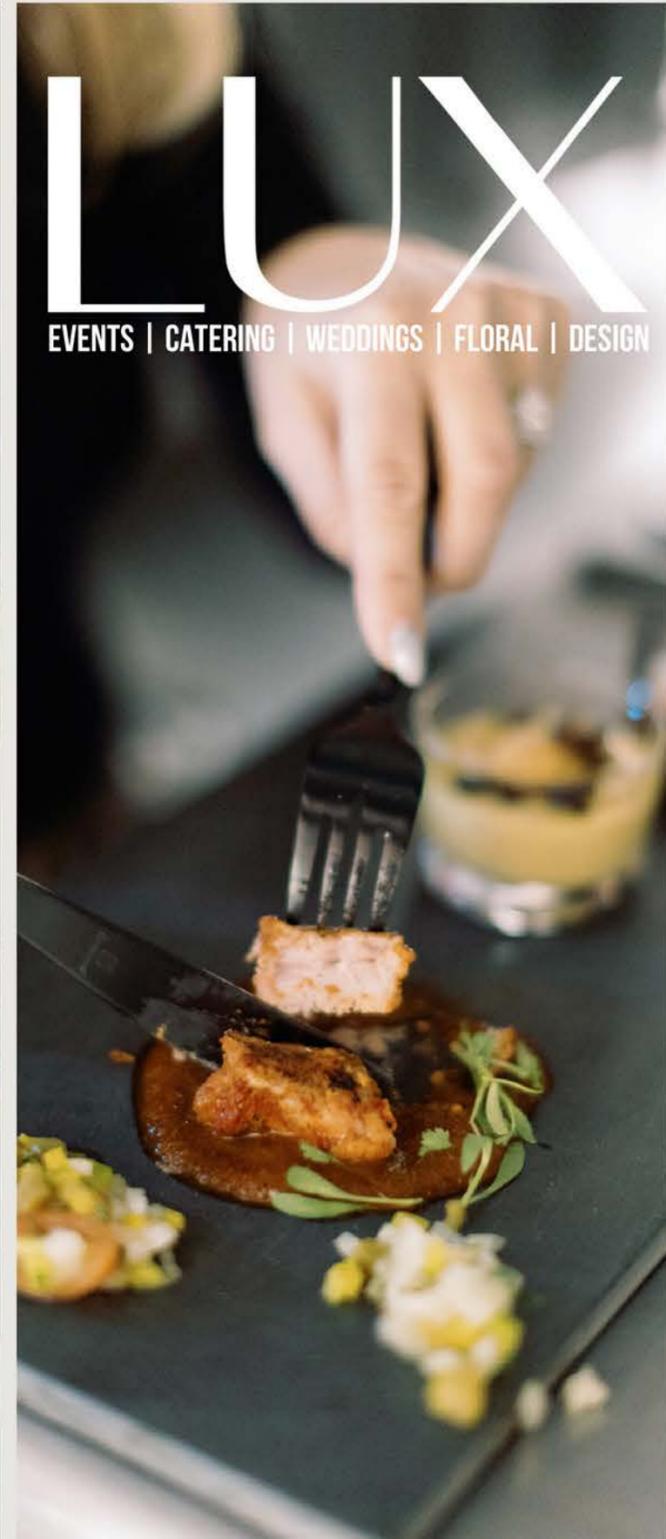
DRNK
BY LUX



**SMOKING IN
BOYS ROOM**

LUX

EVENTS | CATERING | WEDDINGS | FLORAL | DESIGN



MARKET
CATERING



LUX

FLORAL | DESIGN | LIFESTYLE



LHC





HISTORY AND EVOLUTION OF FINANCE AT LUX

1995

Owner Manages Finance
Family Bookkeeper
Accounting Firm | Taxes

2015

Owner Manages Finance
Fractional CFO
Accounting Firm | Taxes

2019

Owner Manages Finance
Fractional CFO
Accounting Assistant (Part-Time)
Accounting Firm | Taxes

2021

Director of Finance
Accounting Manager (Full Time)
Accounting Firm | Taxes

2023

CFO
Accounting Manager
Accounting Assistant (Part Time)
Accounting Assistant | LHG (Part Time)
Accounting Firm | Taxes





NUMBERS AND METRICS



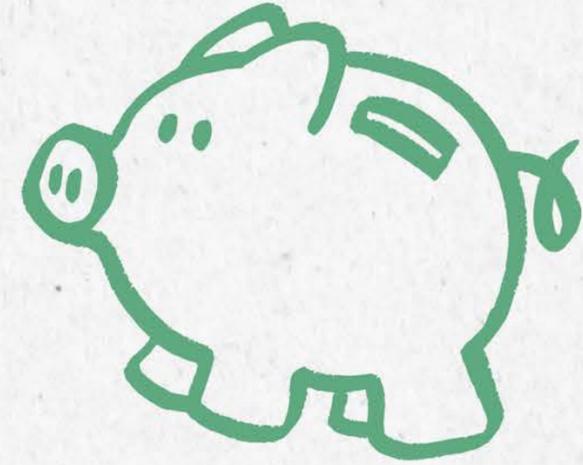
HOW TO DETERMINE THE NUMBERS

- Consultants
- Colleagues
- Associations
- Research



WHAT NEEDS TO BE MEASURED

(KPI - KEY PERFORMANCE INDICATOR)



- Cost of Goods Sold
 - Labor Costs
 - Food Costs
- Operating Expenses
- Profitability by Department
- Profitability by Event
- Gross Profit

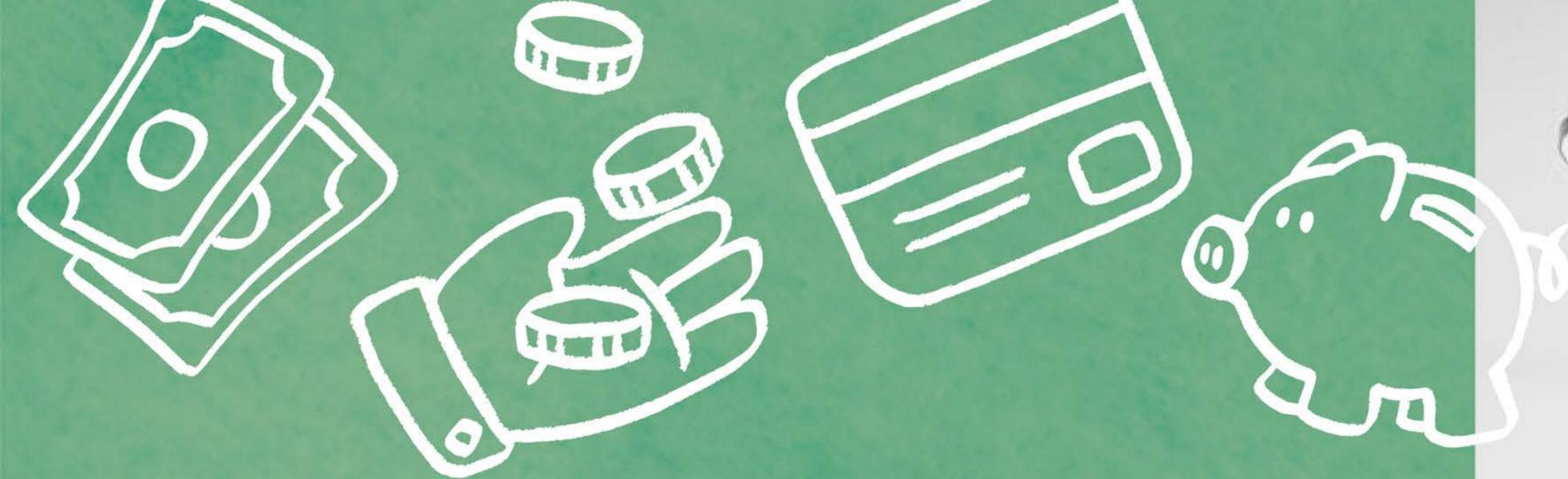


FOOD COSTS

22%

According to industry standards
Varies by market and segment

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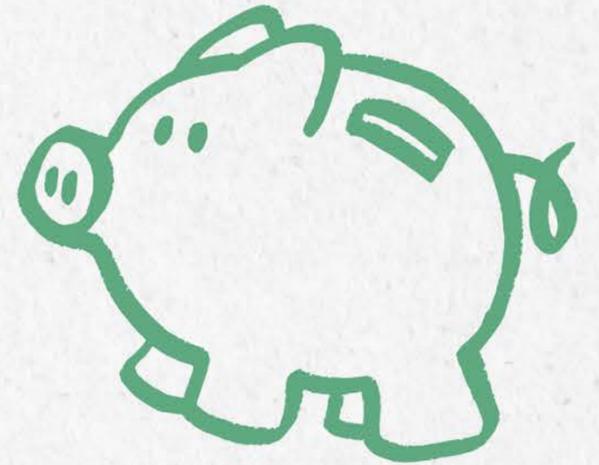


Communication *(Let's Talk)*



COMMON LANGUAGE

- Revenue (Gross vs Net)
- Cost of Goods Sold
- Gross Margin
- Indirect Costs
- Net Profit
- EBITDA 🤔
- Income Statement (P&L)
- Balance Sheet
- Cash Flow





Gross Profit Margin 50%

According to industry standards
Varies by market and segment

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MEETINGS AND EMAILS

Owners | Stakeholders

Monthly P&L Dashboard

Email with narrative summary of successes, risks, and key financial indicators.

Quarterly Meeting

Strategic discussions on capital investments, business strategy, and initiatives.. Include KPI reviews and risk management updates.

Annual Budget Meeting

Comprehensive review of the next year's budget, goals, projections, and allocations.

Executive Leadership

Monthly P&L Dashboard (Email)

Includes narrative summary detailing successes, risks, and financial highlights.

Monthly Meeting

Focus on strategy, goals, initiatives, and forecasting. Regular review of performance metrics and progress.

Annual Budget Meeting

In-depth discussion and finalization of the upcoming year's budget and financial planning.

Department Heads

Quarterly Meeting

present department dashboard and discussion regarding goals, metrics, and initiatives

Informal Check-Ins

Encourage informal, regular check-ins between executive leadership and department heads to maintain open lines of communication.

DEPARTMENT PROFITABILITY

DEPARTMENT PROFITABILITY AT A GLANCE

Year to date: xxx/xx/xxx

	Revenue	COGS	Gross Profit	Gross Margin	All Indirect Costs (including salaries & benefits)	EBITDA	Net Margin
Culinary	\$1,000,000	\$600,000	\$400,000	40%	\$200,000	\$200,000	20%
Bakery	\$200,000	\$70,000	\$130,000	65%	\$100,000	\$30,000	15%
Event Chefs	\$200,000	\$60,000	\$140,000	70%	\$75,000	\$65,000	33%
<i>All Culinary</i>	<i>\$1,400,000</i>	<i>\$730,000</i>	<i>\$670,000</i>	<i>48%</i>	<i>\$375,000</i>	<i>\$295,000</i>	<i>21%</i>
Beverage	\$150,000	\$71,250	\$78,750	53%	\$50,000	\$28,750	19%
Floral	\$150,000	\$67,500	\$82,500	55%	\$50,000	\$32,500	22%
FOH	\$150,000	\$82,500	\$67,500	45%	\$50,000	\$17,500	12%
Rentals/Logistics	\$150,000	\$48,750	\$101,250	68%	\$50,000	\$51,250	34%
G&A, Sales & Marketing, Facilities, Travel, etc.					\$225,000	(\$225,000)	
TOTAL	\$ 2,000,000	\$ 1,000,000	\$ 1,000,000	50%	\$ 800,000	\$ 200,000	10%

DEPARTMENT DASHBOARD

CULINARY DASHBOARD

PERIOD: 1st Qtr

GOAL #1: VARIABLE DEPARTMENT LABOR as % of DEPARTMENT REVENUE

	ACTUAL	TARGET	ACTUAL % OF DEPT REVENUE	ACHIEVED?	%/ \$ BETTER / (WORSE)
DEPT REVENUE:	\$ 3,000,000				
DEPT LABOR - variable labor	\$ 510,000	17.0%	17.0%	YES	0.0% / \$ -

GOAL #2: DEPARTMENT MATERIALS as % of DEPARTMENT REVENUE

FOOD COSTS:	\$ 540,000	22.0%	18.0%	YES	4.0% / \$ 120,000
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GOAL #3: COMPANY DIRECT COSTS as % of COMPANY REVENUE ("GROSS MARGIN")

COMPANY REVENUE:	\$ 2,000,000				
		TARGET GROSS PROFIT MARGIN	ACTUAL GROSS PROFIT MARGIN		
DIRECT COSTS (COGS):	\$ 1,000,000	50.0%	50.0%	YES	



CULINARY VARIABLE LABOR COSTS

17%

According to industry standards
Varies by market and segment

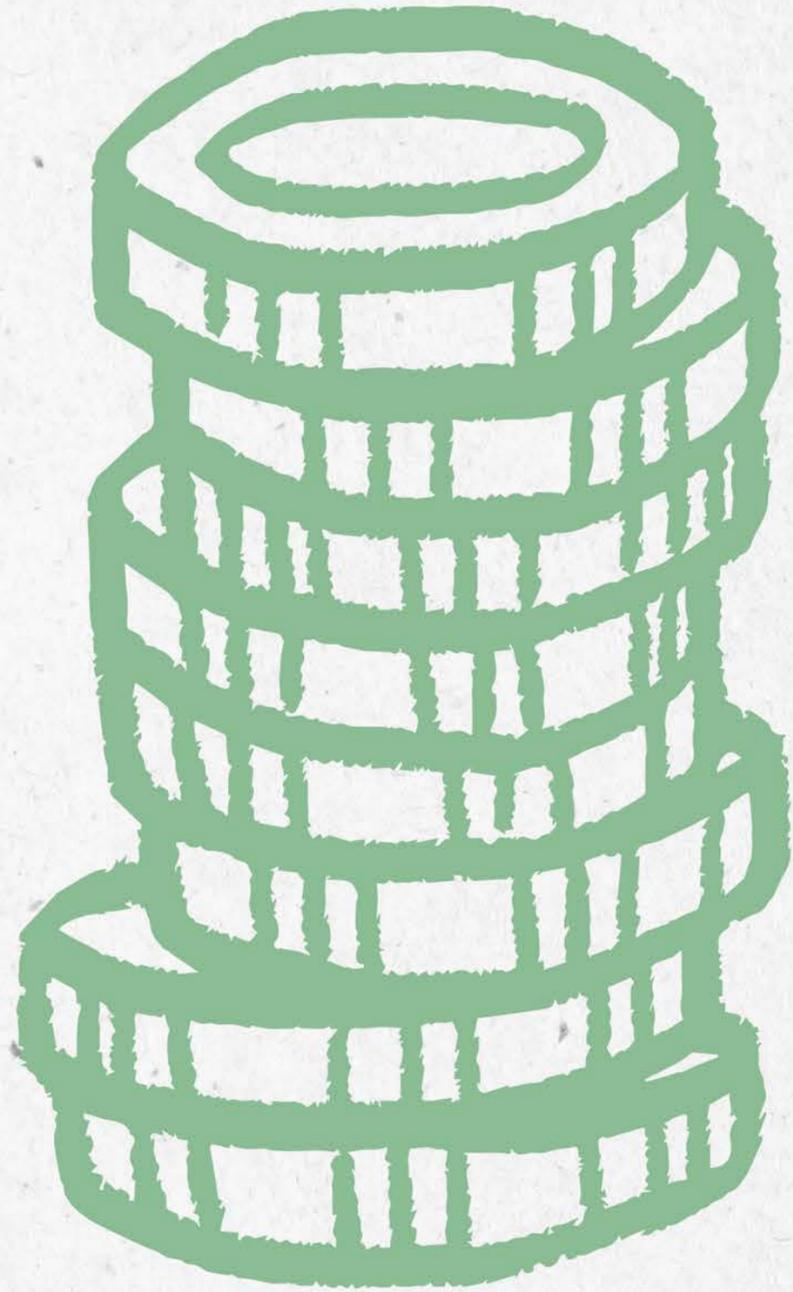
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LEVELS OF ACCOUNTING



\$250,000 +/-



Team

- Owner/family manages finances
- Focus: Collections, cash flow
- Seek tax compliance advice

Resources

- Allocate 8 hours/month
- Professional setup help
- Outsource payroll if needed
- Use 'cash accounting' method

Software

- Begin to research User-friendly software. Consider Quickbooks, Xero, Kashoo
- Avoid Excel/Sheets: Error-prone

Team

- Suitable for owner/family with bookkeeping skills
- Evaluate if accounting impacts growth and quality
- Manage billing, cash flow, collections

Resources

- Dedicate about 20 hours/month
- Bookkeeping essential; accounting knowledge beneficial
- Consider outsourcing payroll

Software

- Implement software, consider Quickbooks, Xero, Kashoo
- Streamlined operations, mobile access, P&L, balance sheets, capabilities include Invoicing, payments, expense tracking

\$500,000 +/-





Net Profit Margin 12%

According to industry standards
Varies by market and segment

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\$1,000,000 +/-



Team

- Part Time Account and Experienced Full Time Bookkeeper
- Regular owner meetings are crucial
- Focus on bill management, collections, report generation, cash flow, forecasting
- Use external tax and compliance experts

Resources

- Invest in skilled setup of accounting systems
- Outsource payroll to mitigate risks and save time
- Transition to 'accrual accounting' for better business insights

Software

- Quickbooks, Xero, Kashoo still viable

Team

- Full Time Accountant and Full Charge Bookkeeper
- The accounting team as strategic partner in planning and risk management.
- Focus on vendor relations, spending documentation, budgeting

Resources

- Implement advanced financial processes for scalability
- Utilize Proformas for growth decisions
- Leadership department financial insights

Software

- Consider evolving beyond Quickbooks, Xero, and Kashoo
- Consider NetSuite, Sage, Wave

\$5,000,000 +/-



\$10,000,000 +/-



Team

- Staff a full finance department, led by a CFO
- Team roles: Accountants and support staff
- Focus on strategic financial management, comprehensive reporting, advanced risk management

Resources

- Consider additional outsourcing for specialized financial functions
- Seek experts for complex tax, legal, and compliance matters

Software

- Upgrade to enterprise-level solutions like Oracle ERP or SAP
- Choose customizable options for complex business needs

What's Working (and what's not working...)



- Owner/CFO Relationship
- Inventory Management
- Technology
- Pricing
- Dashboards and Communication
- Profitability by Event
- Proformas
- Managing Peaks and Valleys



UPWARD AND ONWARD





ICA is dedicated to the growth and success of catering and event professionals.

The background is a textured green color. It is decorated with various white hand-drawn icons related to finance and business. In the top left, there are stacks of paper money and several coins. In the top right, there is a stack of coins and a calculator. On the left side, there is a bar chart with a dollar sign above it and a piggy bank. In the bottom left, there are more coins and a hand holding them. In the bottom right, there is a calculator with a dollar sign above it. The word "Questions?" is written in a large, white, cursive font in the center of the image.

Questions?

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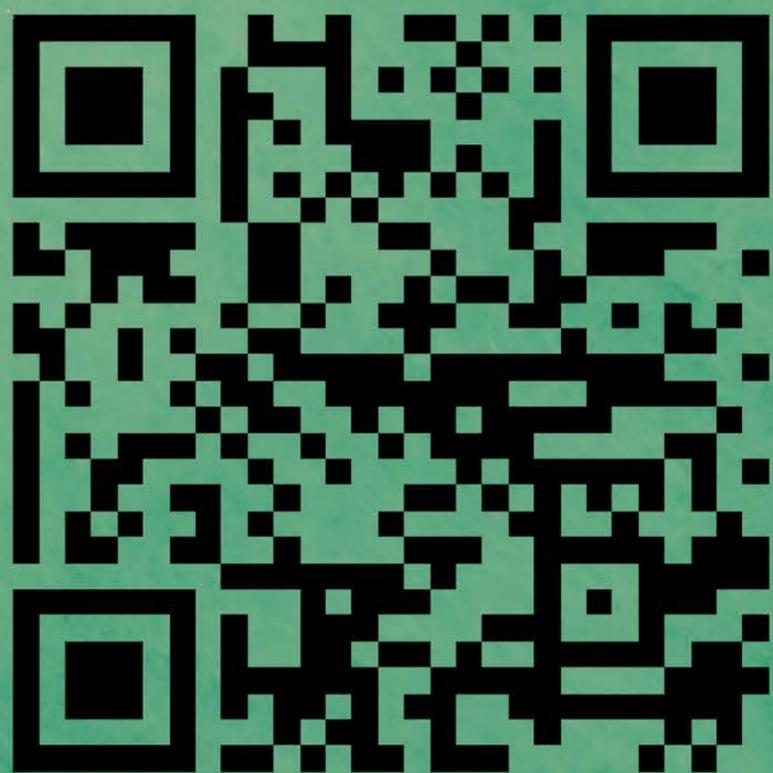
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Dianna Chamberlin

Chris Sanchez



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