The background is a dark green textured surface. It is decorated with various white line-art illustrations related to finance: stacks of money, individual coins, a piggy bank, a bar chart, a calculator, and a document with a dollar sign.

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

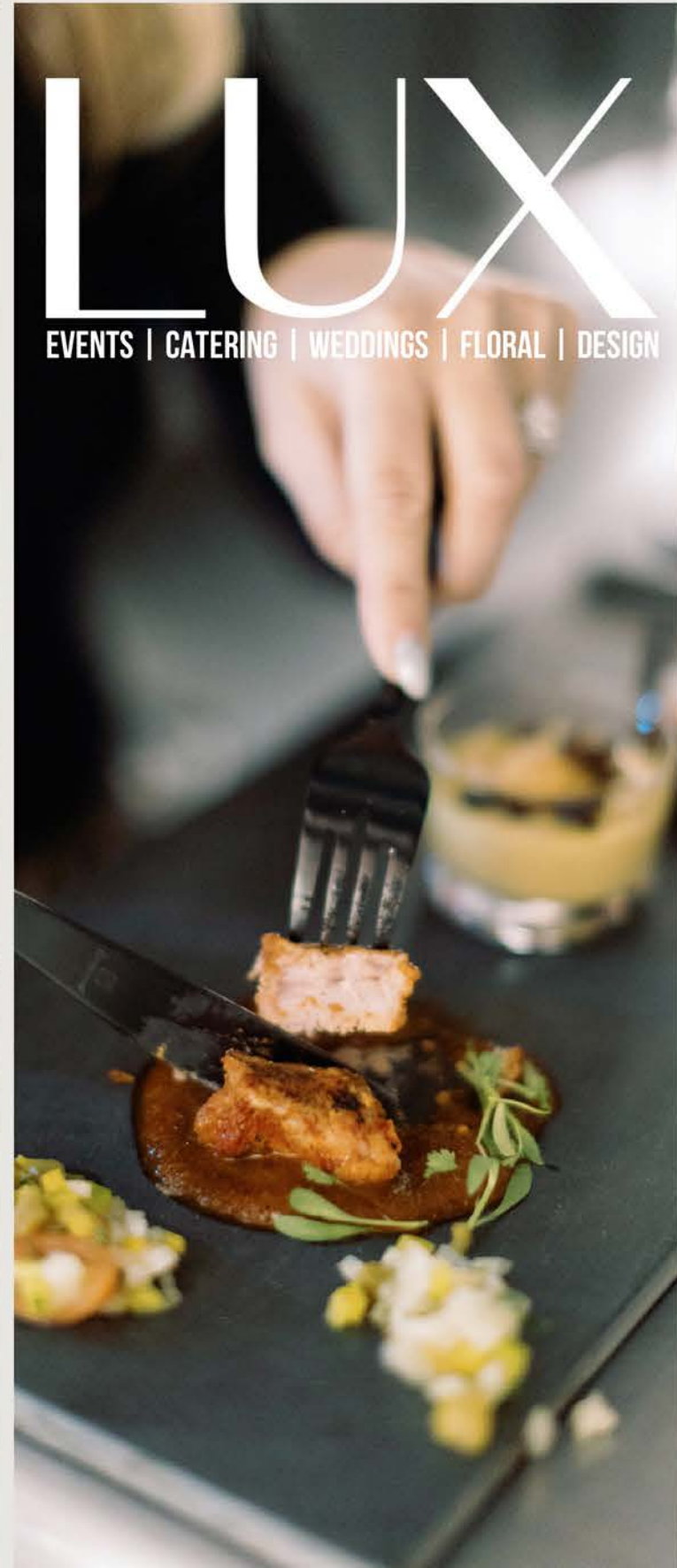


DRNK
BY LUX



**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

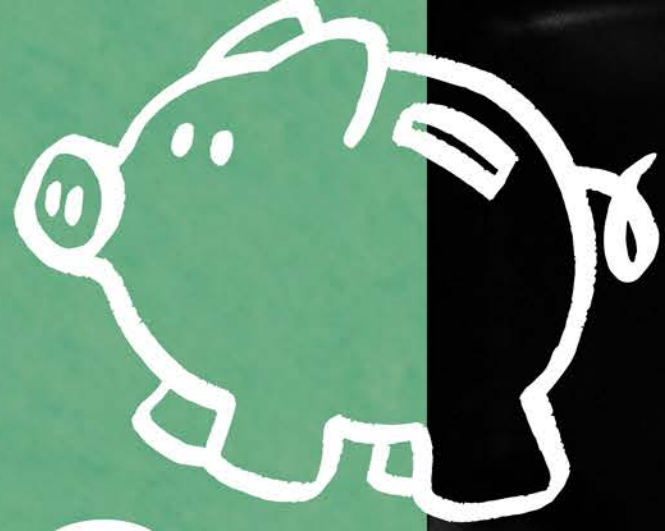
2021

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



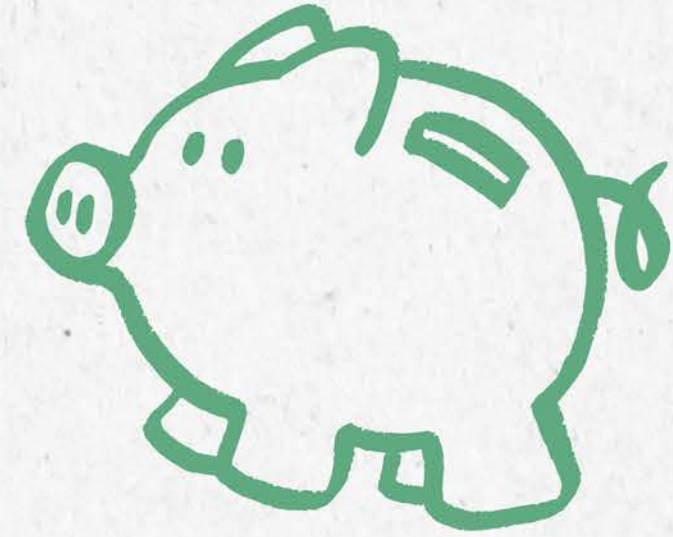
HOW TO DETERMINE THE NUMBERS

- 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



The background is a solid teal color. It is decorated with various white line-art icons related to finance and food. In the top left, there are stacks of cash and loose coins. In the top right, there are more coins and a stack of coins. On the left side, there is a shopping cart with a dollar sign and a piggy bank. In the bottom left, there are more coins and a bar chart with a dollar sign. In the bottom center, there is a piggy bank. In the bottom right, there is a calculator with a dollar sign. The main text is centered in the upper half of the image.

FOOD COSTS

22%

According to industry standards
Varies by market and segment

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EVENT®**



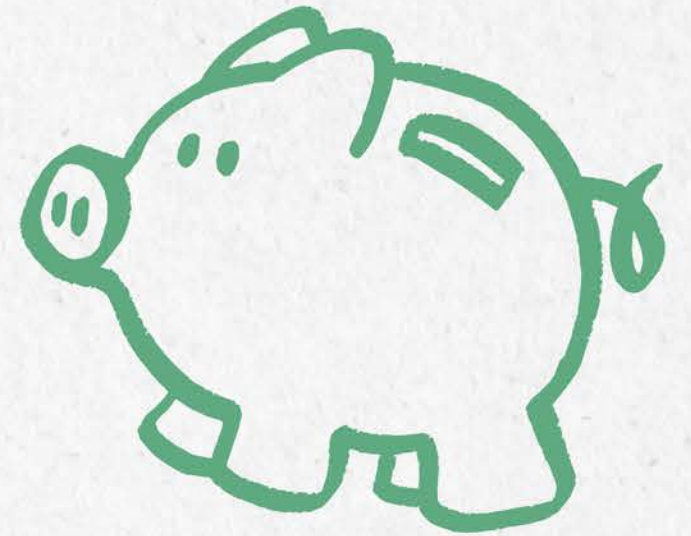
Communication

(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



The background is a solid teal color. It is decorated with various white line-art icons related to finance and business. In the top left, there's a stack of papers or a calculator. In the top center, there are several coins and a wavy line. In the top right, there are more coins and a document. On the right side, there is a tall stack of coins. In the bottom left, there are more coins and a bar chart with a dollar sign. In the bottom center, there is a piggy bank. In the bottom right, there is a document with a dollar sign and a bar chart.

Gross Profit Margin 50%

According to industry standards
Varies by market and segment

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.

OWNER

DASHBOARD

Income Statement																		
2023 - 10 months actual +2 month forecast																		
	Actual 2023 to date										** Forecast **			2024 Forecast				
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	YEAR TO DATE 2023	JAN'24	FEB'24	MAR'24	APR'24
NET REVENUE	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 24,000,000	\$ 20,000,000	2,100,000	2,100,000	2,100,000	2,100,000
COGS	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
Gross Profit	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	12,000,000	10,000,000	1,050,000	1,050,000	1,050,000	1,050,000
Gross Profit Margin	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
EXPENSES	220,000	220,000	220,000	220,000	220,000	220,000	220,000	220,000	220,000	220,000	220,000	220,000	2,640,000	2,200,000	231,000	231,000	231,000	231,000
Salaries, Benefits & Perks (non-sales)	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	2,160,000	1,800,000	189,000	189,000	189,000	189,000
Total Compensation Costs	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 4,800,000	4,000,000	420,000	420,000	420,000	420,000
Sales Compensation as % of revenue	9%	9%	9%	9%	9%	9%	9%	9%	9%	9%	9%	9%	9%	9%	9%	9%	9%	9%
Total Compensation as % of revenue	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%
Rent & Facility-related	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	1,020,000	850,000	88,000	88,000	88,000	88,000
Professional Fees	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	180,000	150,000	15,000	15,000	15,000	15,000
Bank Fees (% of revenue)	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000	20,000	2,100	2,100	2,100	2,100
Bank fees as % of revenue	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.01%	0.1%	0.1%	0.1%	0.1%
Equipment	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	180,000	150,000	15,000	15,000	15,000	15,000
Auto	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	120,000	100,000	10,000	10,000	10,000	10,000
Software	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	120,000	100,000	10,000	10,000	10,000	10,000
Marketing	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	300,000	250,000	25,000	25,000	25,000	25,000
Insurance	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	60,000	50,000	5,000	5,000	5,000	5,000
Travel	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	60,000	50,000	5,000	5,000	5,000	5,000
Other (recruiting, donations, memberships, office supplies, etc.)	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	60,000	50,000	5,000	5,000	5,000	5,000
Total Expenses	\$ 577,000	\$ 577,000	\$ 577,000	\$ 577,000	\$ 577,000	\$ 577,000	\$ 577,000	\$ 577,000	\$ 577,000	\$ 577,000	\$ 577,000	\$ 577,000	\$ 6,924,003	5,770,000	\$ 600,100	\$ 600,100	\$ 600,100	\$ 600,100
OPERATING INCOME (EBITDA)	\$ 423,000	\$ 423,000	\$ 423,000	\$ 423,000	\$ 423,000	\$ 423,000	\$ 423,000	\$ 423,000	\$ 423,000	\$ 423,000	\$ 423,000	\$ 423,000	\$ 5,075,997	\$ 4,230,000	\$ 449,900	\$ 449,900	\$ 449,900	\$ 449,900
Net Profit Margin	21%	21%	21%	21%	21%	21%	21%	21%	21%	21%	21%	21%	21%	21%	21%	21%	21%	21%

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			
DEPT REVENUE:	\$ 3,000,000		ACTUAL % OF DEPT REVENUE	<u>ACHIEVED?</u>	%/\$ BETTER / (WORSE)
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

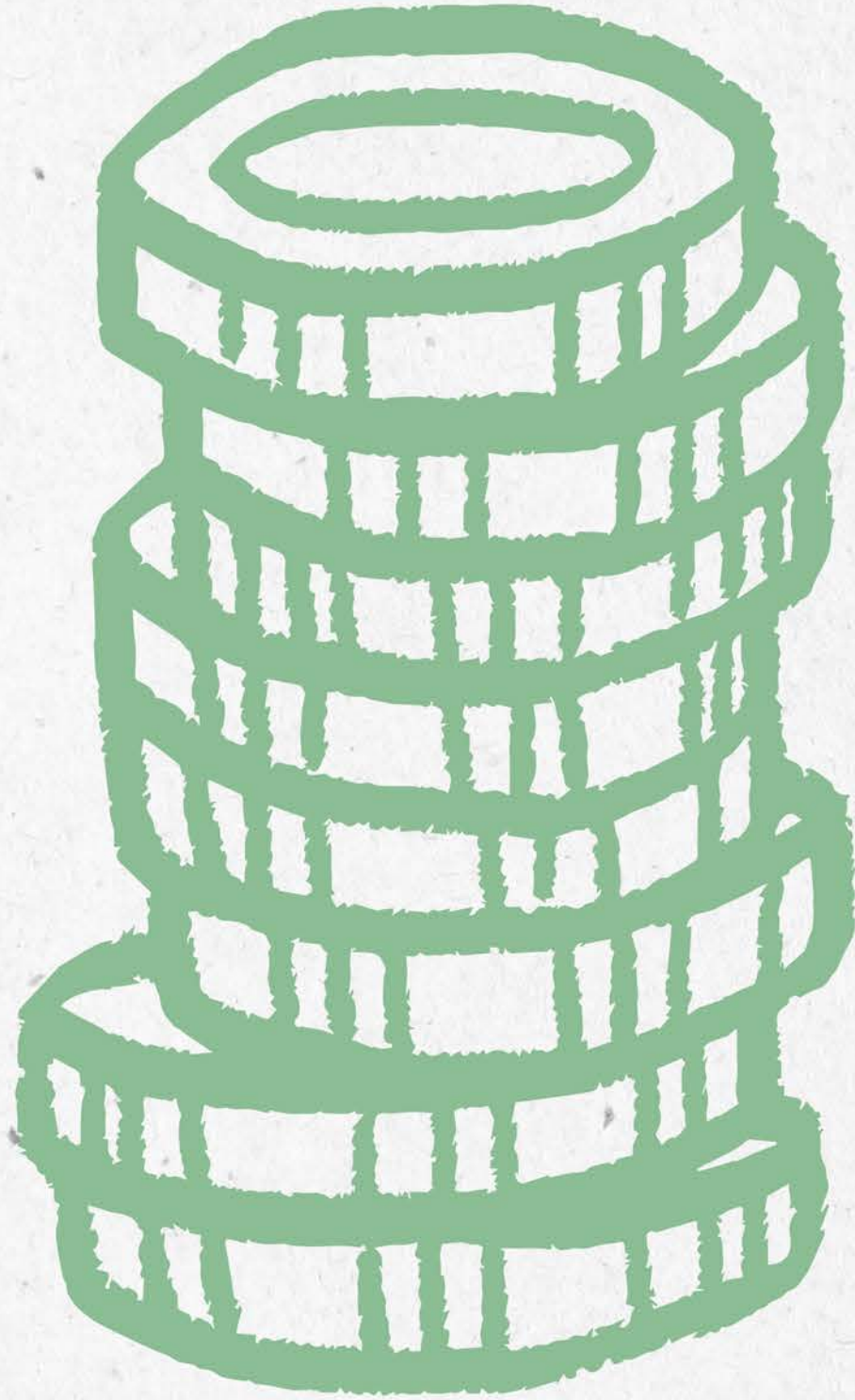
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LEVELS OF ACCOUNTING



\$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 +/-



The background is a solid teal color. It is decorated with various white line-art icons related to finance and business. In the top left, there are icons of a stack of papers, a stack of coins, and a single coin. In the top right, there is a stack of coins and a single coin. In the middle right, there is a tall stack of coins. In the bottom left, there is a hand holding coins, a single coin, and a bar chart with a dollar sign. In the bottom center, there is a piggy bank. In the bottom right, there is a calculator with a dollar sign.

Net Profit Margin 12%

According to industry standards
Varies by market and segment

\$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

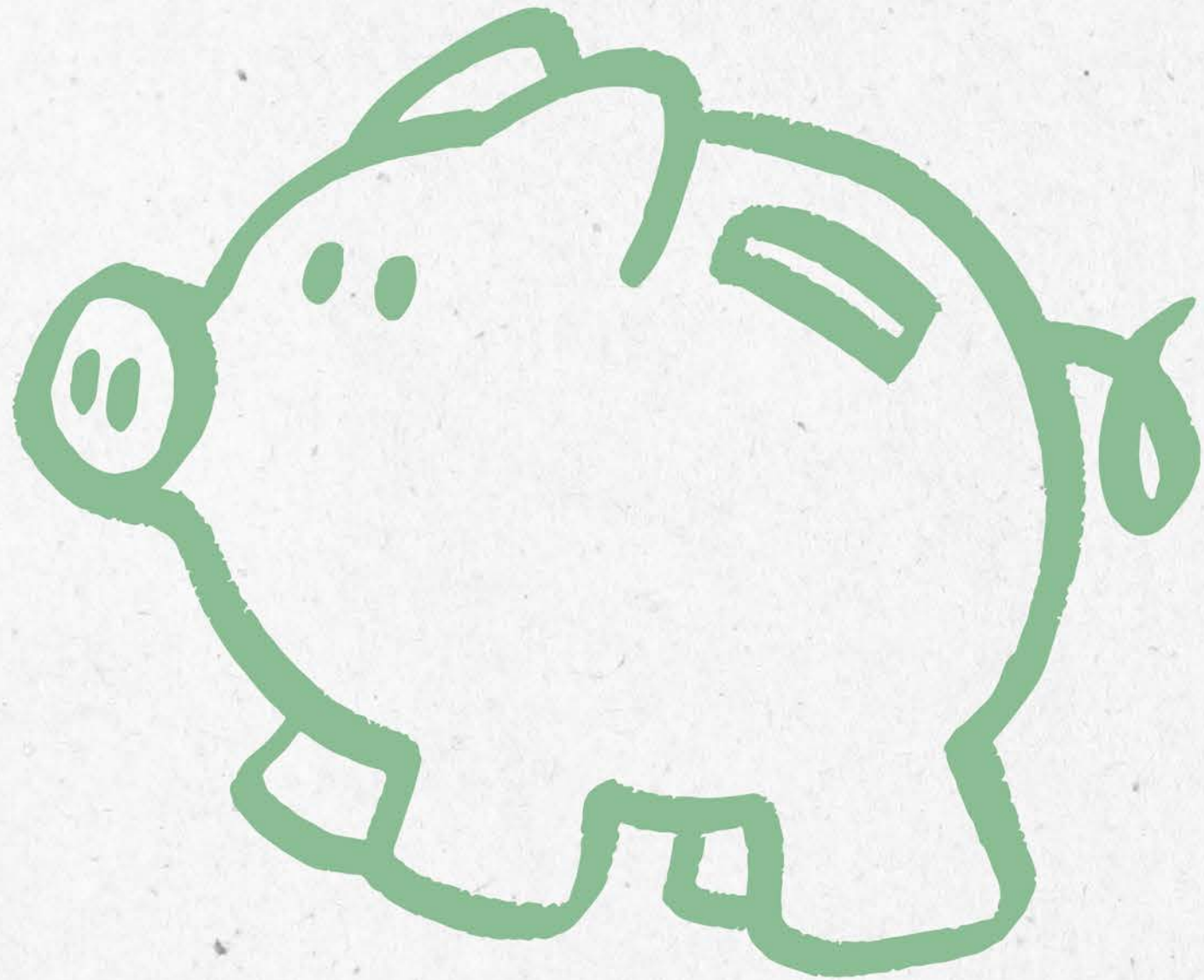
Software

- 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 dark green chalkboard with various white hand-drawn financial icons. In the top left, there are stacks of money and loose coins. In the top right, there are more coins and a stack of coins. In the middle right, there is a tall stack of coins. In the bottom left, there are more coins and a small bar chart. In the bottom center, there is a piggy bank. In the bottom right, there is a small calendar or ledger with a dollar sign.

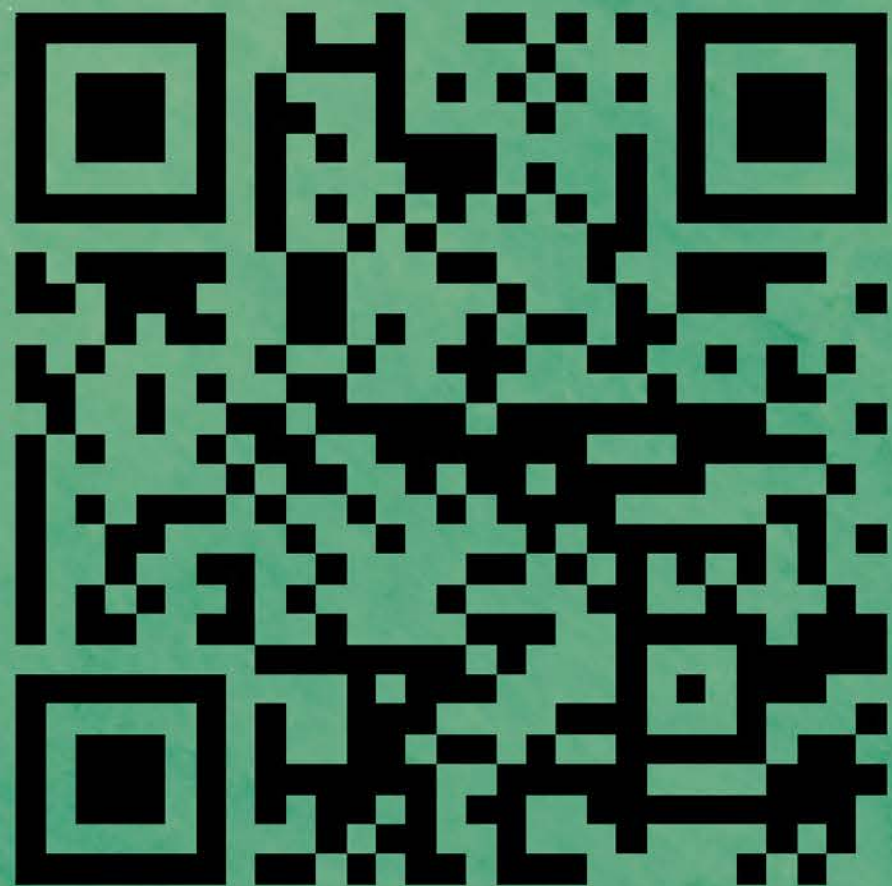
Questions?

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Dianna Chamberlin

Chris Sanchez



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