

THE GRAVITY SYSTEM

Restaurant Performance & Profitability System

How to connect sales, cost, menu, demand, channel, promotion, event, and leakage evidence to weekly profit decisions.

30 OPERATING TOOLS • 6 DECISION AREAS • 1 PROFIT RHYTHM

Published by Thomas Monroe Books | Author: Thomas Butler



MAP

MEASURE

DECIDE

VERIFY

Sales can grow while the restaurant still loses financial ground

42%

of restaurant operators
reported that their
restaurant was not
profitable in 2025

FRAGMENTED

Sales, labor, inventory, accounting, delivery, and promotion data arrive on different schedules.

LATE

Month-end explains what happened after daily pricing, scheduling, and channel decisions were already made.

INCOMPLETE

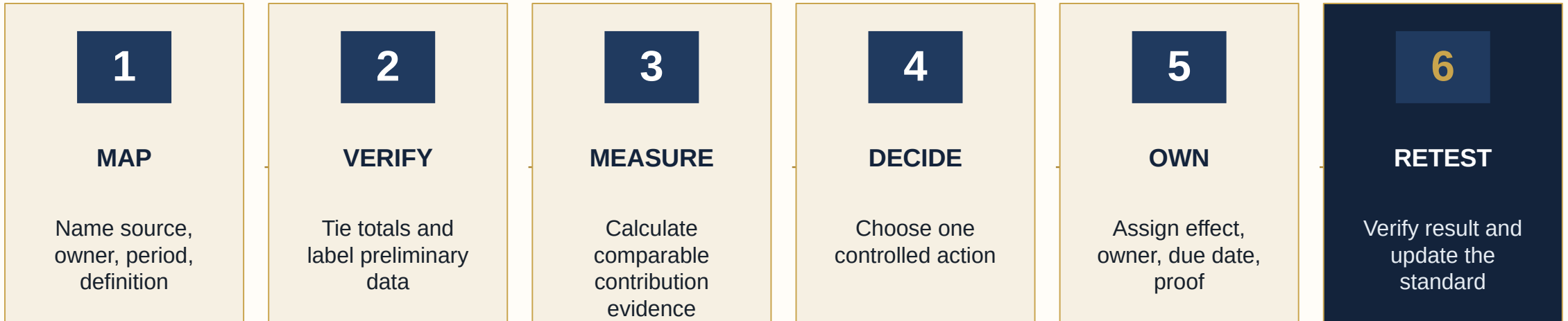
Revenue looks attractive before fees, discounts, refunds, packaging, variable labor, and direct event cost.

UNOWNED

Reports are reviewed, but no action receives an expected effect, owner, due date, and proof.



One controlled loop turns source data into verified profit improvement



The system is complete only when the calculation is traceable, the action is owned, and the financial and operating result is verified.



Thirty tools cover the full management decision—not another software platform



- | | | | |
|--|---------|---|---------|
|  Financial Foundation | 5 tools |  Menu Performance | 6 tools |
|  Revenue & Demand | 5 tools |  Channel & Offer | 5 tools |
|  Leakage & Controls | 4 tools |  Management Planning | 5 tools |

Use GRV-P01 through GRV-P30 in the manual, forms, workbook, training, and version control.



Financial control begins with visible ownership and separation

OWNER

Approves definitions, targets, price/channel decisions, authority, and 90-day priorities.

GENERAL MANAGER

Owens weekly estimates, decisions, follow-through, and operating guardrails.

FINANCE / ACCOUNTING

Owens mapping, close status, reclassification, tie-outs, and final financial labels.

CHEF / COST OWNER

Supplies verified recipe, yield, portion, and ingredient-cost inputs from GRV-F.

CHANNEL / MARKETING / EVENT

Supplies settlement, offer, campaign, and actual direct-cost evidence.

One person may hold several roles; the source, preparer, approver, and verifier must still be visible.



The source map prevents impressive-looking numbers with unclear meaning

PERFORMANCE & PROFITABILITY SYSTEM | EDITABLE FORMS

FINANCIAL FOUNDATION | OPERATING TOOL

Profitability Data Source Map

Tool ID	GRV-P01	Owner	GM/Finance Owner
Category	Financial Foundation	Frequency	Quarterly and at change

Purpose: Names each source system, report, owner, timing, and tie-out required for a reliable profit review.

SOURCE SYSTEM

System/report	_____	Business purpose	_____
System owner	_____	Access owner	_____
Refresh timing	_____	As-of rule	_____

FIELD MAPPING

Required fields	_____	Location/tab	_____
Export method	_____	Gravity destination	_____
Manual adjustment	_____	Retention/location	_____

CONTROL

Tie-out total	_____	Tie-out source	_____
Reviewer	_____	Last tested	_____
Known limitation	_____	Next test	_____

MANAGEMENT REVIEW

Reviewed by	_____	Review date	_____
Decision/action	_____	Next review	_____

Control note: Use the approved version of GRV-P01. State the period, source, definition, owner, and whether the result is preliminary or final. Do not alter official accounting records on this form.

THE GRAVITY SYSTEM

5

POS	Sales, checks, guests, item mix, discounts, comps, voids, refunds, channels
PAYROLL / GRV-C	Labor dollars, hours, burden policy, job and department mapping
INVENTORY / GRV-F	Recipe cost, yield, portions, purchasing, usage, waste, and counts
ACCOUNTING	Closed sales, cost of sales, operating expenses, fixed cost, operating profit
PLATFORMS	Delivery settlement, payment fees, promotion, event deposits, direct costs

THE GRAVITY SYSTEM

06

A margin is comparable only when its definition is comparable

NET SALES

Approved gross revenue less contra-revenue; state tax, tip, fee, and refund treatment.

GROSS PROFIT

Net sales less the approved cost-of-sales categories.

CONTRIBUTION

Net sales less the variable costs included in the decision definition.

OPERATING PROFIT

The approved statement result after the restaurant's defined operating expenses.

AVERAGE CHECK

Net sales divided by checks—not guests or covers.

Always state numerator, denominator, period, location, channel, and included cost categories.



Break-even turns cost behavior into a sales requirement

PERFORMANCE & PROFITABILITY SYSTEM | EDITABLE FORMS

FINANCIAL FOUNDATION | OPERATING TOOL

Break-Even Sales Calculator

Tool ID

GRV-P05

Category

Financial Foundation

Owner

Owner/Finance Owner

Frequency

Monthly and before major change

Purpose: Estimates the sales level required to cover fixed costs at the restaurant's current contribution-margin ratio.

INPUTS

Period

Variable costs

Contribution margin ratio

Net sales

Contribution margin dollars

Fixed costs

CALCULATION

Break-even sales

Margin of safety dollars

Target profit

Actual/forecast sales

Margin of safety percent

Sales for target profit

DECISION

Input source

Sensitivity tested

Owner

Known limitation

Decision affected

Review date

MANAGEMENT REVIEW

Reviewed by

Decision/action

Review date

Next review

Control note: Use the approved version of GRV-P05. State the period, source, definition, owner, and whether the result is preliminary or final. Do not alter official accounting records on this form.

THE GRAVITY SYSTEM

9

CORE FORMULAS

CM ratio

(Net sales – approved variable costs) ÷ net sales

Break-even sales

Fixed costs ÷ contribution margin ratio

Sales for target profit

(Fixed costs + target profit) ÷ contribution margin ratio

Margin of safety

Actual or forecast sales – break-even sales

Use the same period. Stop when sales or the contribution ratio is zero or negative. Test sensitivity when mix is changing.

THE GRAVITY SYSTEM

08

GRV-F controls the cost input; GRV-P controls the profit decision

PERFORMANCE & PROFITABILITY SYSTEM | EDITABLE FORMS

MENU PERFORMANCE | OPERATING TOOL

Recipe Cost Input Verification

Tool IDGRV-P06

OwnerChef/Cost Owner

CategoryMenu Performance

FrequencyMonthly and at recipe change

Purpose: Verifies that current recipe cost and yield inputs from GRV-F or the inventory system are ready for menu analysis.

ITEM

Menu item ID	Menu item
Category	Recipe version
Selling unit	Effective date

COST INPUT

Recipe cost source	Ingredient cost date
Batch yield	Portion yield
Packaging cost	Other per-item variable cost

VERIFICATION

GRV-F/inventory record	Yield observed
Portion audit current	Cost tie-out
Verified by	Next verification

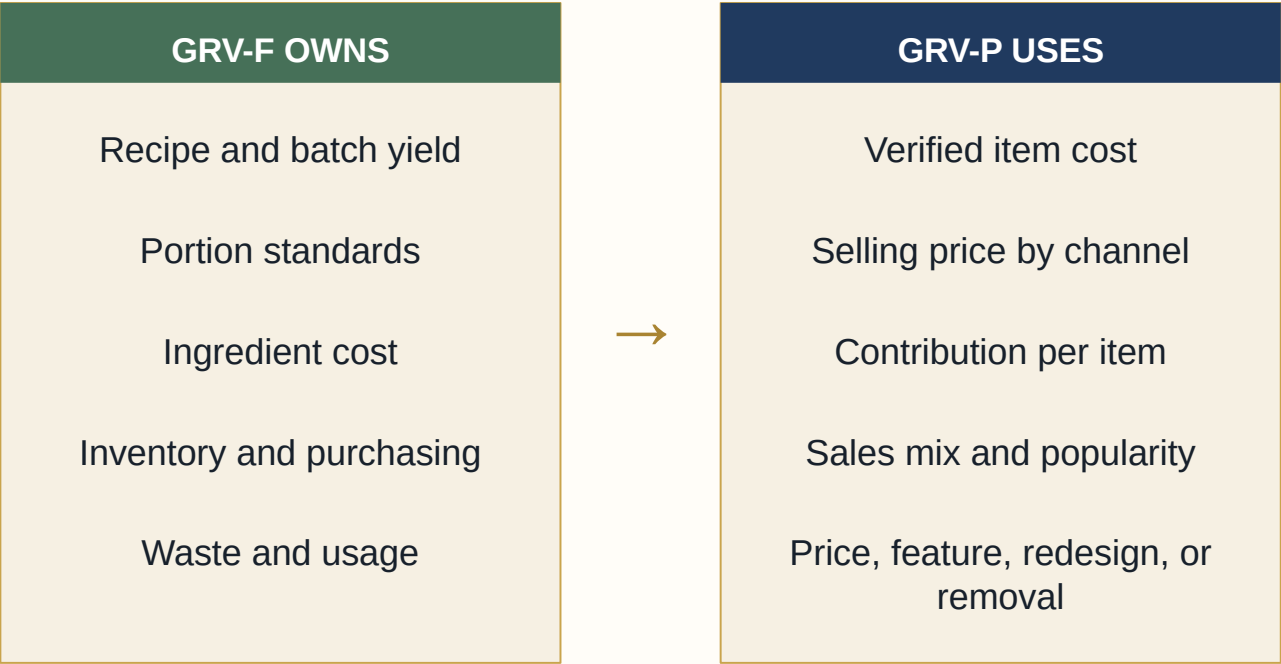
MANAGEMENT REVIEW

Reviewed by	Review date
Decision/action	Next review

Control note: Use the approved version of GRV-P06. State the period, source, definition, owner, and whether the result is preliminary or final. Do not alter official accounting records on this form.

THE GRAVITY SYSTEM

10



Do not rebuild recipes, counts, purchasing, or waste logs inside the profitability system.



Contribution shows what each item adds before fixed cost

SELLING PRICE

—

VARIABLE ITEM COST

CONTRIBUTION PER ITEM

- Recipe or food cost
- Packaging
- Item-specific channel fee
- Per-item promotion or discount
- Other cost that changes with the sale

The included cost categories must be written beside the metric.

PERFORMANCE & PROFITABILITY SYSTEM | EDITABLE FORMS

MENU PERFORMANCE | OPERATING TOOL

Menu Item Contribution Worksheet

Tool ID	GRV-P07	Owner	Chef/GM
Category	Menu Performance	Frequency	Monthly and at price change

Purpose: Calculates item selling price, variable item cost, contribution margin dollars, and contribution margin ratio.

ITEM

Menu item ID	_____	Item/category	_____
Channel	_____	Selling price	_____
Taxes/fees excluded	_____	Units sold	_____

VARIABLE COST

Recipe/food cost	_____	Packaging	_____
Channel fee	_____	Per-item promo	_____
Other variable cost	_____	Total variable cost	_____

OUTPUT

Contribution per item	_____	Contribution margin ratio	_____
Period contribution	_____	Restaurant target	_____
Gap	_____	Decision	_____

MANAGEMENT REVIEW

Reviewed by	_____	Review date	_____
Decision/action	_____	Next review	_____

Control note: Use the approved version of GRV-P07. State the period, source, definition, owner, and whether the result is preliminary or final. Do not alter official accounting records on this form.



Menu classifications should lead to a controlled test

PERFORMANCE & PROFITABILITY SYSTEM | EDITABLE FORMS

MENU PERFORMANCE | OPERATING TOOL

Menu Engineering Classification Matrix

Tool ID	GRV-P09	Owner	GM/Chef
Category	Menu Performance	Frequency	Monthly or quarterly

Purpose: Classifies items by relative popularity and contribution using documented restaurant-specific thresholds.

METHOD

Period	_____	Category set	_____
Popularity measure	_____	Popularity threshold	_____
Contribution measure	_____	Contribution threshold	_____

CLASSIFICATION

Item	_____	Units/mix	_____
Contribution/item	_____	High/low popularity	_____
High/low contribution	_____	Classification	_____

DECISION

Protect/feature	_____	Reprice	_____
Redesign	_____	Relocate	_____
Remove/test	_____	Retest date	_____

MANAGEMENT REVIEW

Reviewed by	_____	Review date	_____
Decision/action	_____	Next review	_____

Control note: Use the approved version of GRV-P09. State the period, source, definition, owner, and whether the result is preliminary or final. Do not alter official accounting records on this form.

THE GRAVITY SYSTEM

13

HIGH POPULARITY
HIGH CONTRIBUTION

Protect • feature • preserve
execution

LOW POPULARITY
HIGH CONTRIBUTION

Improve visibility • description •
placement

HIGH POPULARITY
LOW CONTRIBUTION

Test price • cost • portion •
attachment

LOW POPULARITY
LOW CONTRIBUTION

Redesign • replace • remove
after context review

Set the comparison set and thresholds before classifying.
Retest after one controlled change.



Price changes need math, value evidence, and a reversal rule

- 1

BASELINE

Current price, units, variable cost, contribution, guest-value role
- 2

PROPOSAL

New price, expected contribution, and visible volume-response assumption
- 3

CONTEXT

Competitive, channel, contract, tax/fee disclosure, menu, and training effects
- 4

TEST

Location, item, channel, dates, primary result, and guardrails
- 5

DECIDE

Continue, change, or reverse based on unit, contribution, mix, complaint, and execution evidence

PERFORMANCE & PROFITABILITY SYSTEM | EDITABLE FORMS

MENU PERFORMANCE | OPERATING TOOL

Menu Price Change Decision Worksheet

Tool ID	GRV-P10	Owner	Owner/GM
Category	Menu Performance	Frequency	Per proposed change

Purpose: Tests price changes against guest value, expected volume response, contribution, channel, and execution risk.

PROPOSAL

Item/channel	_____	Current price	_____
Proposed price	_____	Change percent	_____
Effective date	_____	Decision owner	_____

EVIDENCE

Current units	_____	Current variable cost	_____
Current contribution	_____	Expected volume change	_____
Expected new contribution	_____	Guest/value evidence	_____

RISKS

Competitor context	_____	Menu/technology changes	_____
Tax/fee disclosure	_____	Employee training	_____
Channel parity/contract	_____	Stop/reverse rule	_____

APPROVAL

Approved/rejected/test	_____	Approved by	_____
Test period	_____	Metric	_____
Retest date	_____	Result	_____

MANAGEMENT REVIEW

Reviewed by	_____	Review date	_____
Decision/action	_____	Next review	_____

Control note: Use the approved version of GRV-P10. State the period, source, definition, owner, and whether the result is preliminary or final. Do not alter official accounting records on this form.

THE GRAVITY SYSTEM

14



Separate traffic, check, mix, channel, and capacity before acting

PERFORMANCE & PROFITABILITY SYSTEM | EDITABLE FORMS

REVENUE & DEMAND | OPERATING TOOL

Daypart Performance Scorecard

Tool IDGRV-P13

OwnerGM

CategoryRevenue & Demand

FrequencyWeekly

Purpose: Compares sales, guests, checks, labor hours, average check, and contribution by daypart.

DAYPART

Period

Service hours

Manager

Daypart

Available seats/capacity

Comparison period

PERFORMANCE

Net sales

Checks

Labor hours

Estimated contribution

Guests

Average check

Sales per labor hour

Discount/leakage

DECISION

Demand issue

Mix issue

Action owner

Capacity issue

Staffing handoff to GRV-C

Retest date

MANAGEMENT REVIEW

Reviewed by

Decision/action

Review date

Next review

Control note: Use the approved version of GRV-P13. State the period, source, definition, owner, and whether the result is preliminary or final. Do not alter official accounting records on this form.

THE GRAVITY SYSTEM

17

GUEST COUNT

Did demand change—or only price and mix?

AVERAGE CHECK

Is movement from price, category mix, discount, or channel?

DAYPART

Which hours create contribution, congestion, or unused capacity?

FORECAST ERROR

What changed, why was it missed, and how will the method change?

CAPACITY

Is the constraint seats, speed, pacing, staffing, menu complexity, or channel congestion?

Send staffing changes to GRV-C and process changes to GRV-S.



More channel sales do not guarantee more channel profit

PERFORMANCE & PROFITABILITY SYSTEM | EDITABLE FORMS

CHANNEL & OFFER PROFITABILITY | OPERATING TOOL

Channel Profitability Worksheet

Tool IDGRV-P17

OwnerGM/Finance Owner

CategoryChannel & Offer Profitability

FrequencyMonthly

Purpose: Compares dine-in, takeout, direct delivery, third-party delivery, catering, and other channels on a common basis.

CHANNEL

Period

Net sales

Average order

Channel

Orders

Mix percent

VARIABLE ECONOMICS

Food/beverage cost

Commission/transaction fees

Refunds/chargebacks

Packaging

Channel discounts

Variable labor/other

OUTPUT

Channel contribution

Restaurant target

Capacity effect

Contribution ratio

Guest/brand value

Continue/change/stop

MANAGEMENT REVIEW

Reviewed by

Decision/action

Review date

Next review

Control note: Use the approved version of GRV-P17. State the period, source, definition, owner, and whether the result is preliminary or final. Do not alter official accounting records on this form.

THE GRAVITY SYSTEM

21

NET SALES

- Food / beverage cost
- Packaging
- Commission and transaction fees
- Platform-funded or restaurant-funded discount
- Refunds and chargebacks
- Variable labor, delivery, or other direct cost

CHANNEL CONTRIBUTION

Also review capacity, accuracy, packaging, refund causes, guest relationship, and contract limits.

PERFORMANCE & PROFITABILITY SYSTEM | EDITABLE FORMS

CHANNEL & OFFER PROFITABILITY | OPERATING TOOL

Third-Party Delivery Economics Review

Tool IDGRV-P18

OwnerOwner/GM

CategoryChannel & Offer Profitability

FrequencyMonthly and at contract change

Purpose: Tests platform sales after commission, fees, packaging, discounts, refunds, variable labor, and food cost.

PLATFORM

Period

Contract/fee tier

Gross platform sales

Platform

Orders

Restaurant net sales

DEDUCTIONS

Commission

Delivery/service fees borne

Refunds/adjustments

Food cost

Marketing/placement

Discount funded

Packaging

Variable labor

DECISION

Contribution dollars

Menu price difference

Menu action

Contribution ratio

Contract action

Review date

MANAGEMENT REVIEW

Reviewed by

Decision/action

Review date

Next review

Control note: Use the approved version of GRV-P18. State the period, source, definition, owner, and whether the result is preliminary or final. Do not alter official accounting records on this form.

THE GRAVITY SYSTEM

22



A promotion should buy a defined behavior at an approved cost

PERFORMANCE & PROFITABILITY SYSTEM | EDITABLE FORMS

CHANNEL & OFFER PROFITABILITY | OPERATING TOOL

Promotion & Discount Profitability Planner

Tool ID	GRV-P19	Owner	GM/Marketing Owner
Category	Channel & Offer Profitability	Frequency	Per offer

Purpose: Approves an offer only after its purpose, audience, incremental economics, cap, and stop rule are explicit.

OFFER

Offer/campaign ID	_____	Objective	_____
Audience	_____	Channel	_____
Start/end	_____	Owner	_____

ECONOMICS

Regular selling price	_____	Offer price/discount	_____
Variable cost	_____	Contribution per redemption	_____
Expected redemptions	_____	Expected incremental sales	_____
Expected incremental contribution	_____	Budget/cap	_____

CONTROL

Cannibalization risk	_____	Capacity risk	_____
Approval	_____	Tracking method	_____
Stop/change rule	_____	Review date	_____

MANAGEMENT REVIEW

Reviewed by	_____	Review date	_____
Decision/action	_____	Next review	_____

Control note: Use the approved version of GRV-P19. State the period, source, definition, owner, and whether the result is preliminary or final. Do not alter official accounting records on this form.

THE GRAVITY SYSTEM

23

PURPOSE

Audience, channel, date, behavior, and capacity need

UNIT ECONOMICS

Offer price less discount and approved variable cost

INCREMENTALITY

Separate likely new behavior from purchases that would happen anyway

GUARDRAILS

Budget, cap, tracking method, approval, and stop/change rule

RESULT

Redemption, sales, discount, variable cost, incremental contribution, follow-on behavior

Never report all promotional revenue as incremental revenue.



Revenue leakage is a pattern problem—not only a cash problem

PERFORMANCE & PROFITABILITY SYSTEM | EDITABLE FORMS

LEAKAGE & CONTROLS | OPERATING TOOL

Revenue Leakage Pattern Review

Tool ID

GRV-P23

Owner

GM

Category

Leakage & Controls

Frequency

Weekly

Purpose: Finds repeated exceptions, unrecorded sales, price errors, missed charges, and process breakdowns requiring correction.

REVIEW

Week/period

Records reviewed

Exception rate

Location

Total exception dollars

Reviewer

PATTERN

Type/reason

Employee/role

Frequency

Shift/daypart

Item/channel

Estimated exposure

CORRECTION

Root cause

SOP/training action

Due date

Immediate control

Owner

Verification

MANAGEMENT REVIEW

Reviewed by

Decision/action

Review date

Next review

Control note: Use the approved version of GRV-P23. State the period, source, definition, owner, and whether the result is preliminary or final. Do not alter official accounting records on this form.

THE GRAVITY SYSTEM

27

TRANSACTION

Discount • comp • void • refund • missed charge

PRICE

Override • wrong menu price • wrong platform price

PLATFORM

Unexplained deduction • refund • chargeback • settlement gap

PROCESS

Remake • unrecorded sale • repeated reason-code misuse

CASH / DEPOSIT

Recount, source review, escalation, restricted investigation

Record facts first. Group patterns weekly. Correct authority, training, process, pricing, or technology.



Daily, weekly, monthly, and quarterly reviews do different work

DAILY

Close and tie POS according to policy

Capture sales, demand context, and material exceptions

Assign missing settlement or source follow-up

WEEKLY

Refresh preliminary snapshot and forecast

Review menu, daypart, channel, offer, and leakage

Choose no more than three actions

MONTHLY

Reconcile to closed statement

Review break-even and scorecard

Approve next priority and retire weak actions

Quarterly: reset definitions, mappings, authority, contracts, targets, access, and the 90-day plan.

PERFORMANCE & PROFITABILITY SYSTEM | EDITABLE FORMS

MANAGEMENT PLANNING | OPERATING TOOL

Weekly Profitability Review

Tool IDGRV-P26

OwnerGM

CategoryManagement Planning

FrequencyWeekly

Purpose: Runs the management meeting from current evidence, exceptions, decisions, owners, due dates, and verification.

MEETING

Week ending		Location	
Chair		Attendees	
Data through		Prior actions reviewed	

EVIDENCE

Sales/traffic		Contribution/break-even	
Menu decisions		Forecast/daypart	
Channel/offers		Leakage/exceptions	

DECISIONS

Decision 1/owner/due		Decision 2/owner/due	
Decision 3/owner/due		Escalation	
Verification date		Next meeting	

MANAGEMENT REVIEW

Reviewed by		Review date	
Decision/action		Next review	

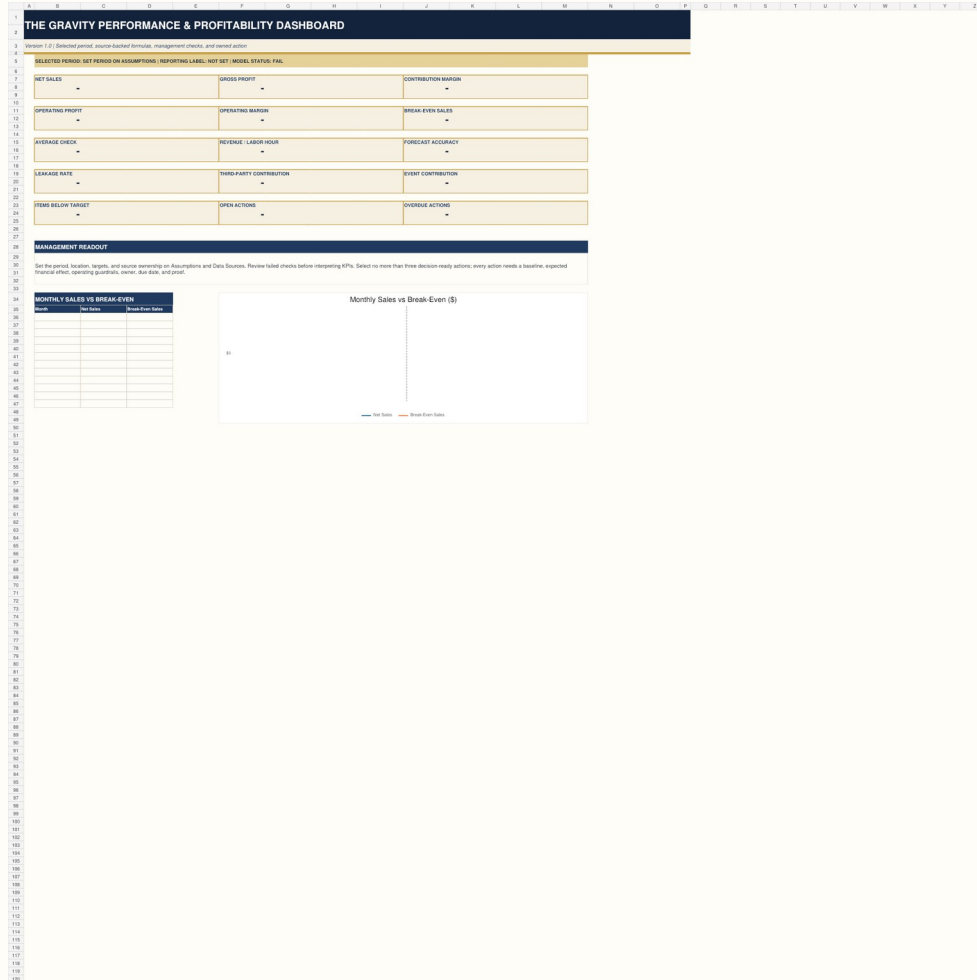
Control note: Use the approved version of GRV-P26. State the period, source, definition, owner, and whether the result is preliminary or final. Do not alter official accounting records on this form.

THE GRAVITY SYSTEM

30



Trace every important number before managers act



CONTROL FEATURES

- 19 coordinated sheets
- Blue input and black/green formula conventions
- Source and metric definitions
- Break-even, menu, channel, promotion, event, and leakage calculations
- Formula-driven dashboard and native chart
- Visible model-status checks
- Open and overdue action control

**PASS means setup controls pass.
It is not an audit opinion.**



Install the decision rhythm before deeper analysis

DAYS 1–30

MAP & STABILIZE

- Approve P01, P02, P03, P05, P12, P22, P26, P30
- Name definitions, sources, owners, close status, adjustments
- Complete first POS and accounting tie-outs
- Train preliminary versus final labels

DAYS 31–60

ANALYZE & ACT

- Launch only the menu, demand, channel, offer, and event tools needed
- Set restaurant-specific targets and materiality
- Complete one controlled profit action
- Protect safety, quality, hospitality, and capacity

DAYS 61–90

VERIFY & GOVERN

- Launch monthly scorecard and 90-day plan
- Reconcile estimates to closed results
- Verify actions and update standards
- Review access, mappings, contracts, exports, and versions

Advance only when sources are identified, definitions are approved, checks explain failures, and managers can state what changes because of the number.



**Trust the source.
Name the decision.
Verify the result.**

BEGIN WITH FIVE ACTIONS

- Assign the owner and finance reviewer
- Set the selected period and contribution definition
- Complete the source and account map
- Launch the weekly snapshot and exception log
- Hold the first weekly profitability review

