Ep #60: The Most Expensive Mistakes Restaurant Owners Make with Dan Engel

Full Episode Transcript

With Your Hosts

Patrick Totah and Andy Mirabell

Ep #60: The Most Expensive Mistakes Restaurant Owners Make with Dan Engel

Welcome to *Restaurant Deal Making EXPOSED!*, the only show that equips you with everything you need to know about restaurant transactions. In this show, we tell you all about how to make the sale or purchase of your restaurant not just possible, but successful. Now, here are your hosts, ex-restaurateurs, and seasoned brokers, Patrick Totah and Andy Mirabell.

Andy: Welcome back, everyone, to another episode of *Restaurant Deal Making EXPOSED!* I am Andy. I'm here with Patrick. And today's episode is "The Most Expensive Mistakes Restaurant Owners Make." The mistakes that can quietly cost tens or even hundreds of thousands of dollars over time. And who better to help us identify them than our returning guest, Dan Engel. He is a restaurant accountant and bookkeeper and the owner of Engel Accounting in the Bay Area.

Patrick: Dan is joining us for his third appearance on Restaurant Deal Making Exposed, and he's going to share the financial mistakes he sees restaurant owners make over and over again. Let's get into the mistakes that can make or break a restaurant's bottom line. Welcome, Dan.

Dan: Thank you.

Patrick: Welcome back. Three-peat. Wow, that's the first for us. So.

Andy: Yeah, have we even had a two-peat?

Patrick: I don't know. I'm trying to think, but I made a few mistakes when I was in the restaurant business that I wish I can go back and take back those decisions. So, what is the biggest financial mistake you see with your restaurant clients?

Dan: Yeah, so lately, what we're seeing is restaurant owners, usually chef owners too, they are not putting the time into management. They're busy running around town, going to the farmer's markets, picking up all their fancy, high-end organic vegetables. And they're paying for stuff on their phone or they're going to like Restaurant Depot and picking up everything and putting it on a credit card. And so we the bookkeepers have nothing to track. And the owner also is just spending, spending, spending and not tracking. So the biggest financial mistake is not taking the time to track your costs and expenses.

Patrick: Is that like, can you just get one credit card that's only for the business and that credit card has all purchases that you make in this kind of process so that you can easily track and there's not, you don't have to go through and figure out which ones are relevant, which ones aren't? Is that kind of a fix for this kind of situation?

Dan: Yes. So that's step one. That really helps us consolidate the spending, so we can at least track it. Another problem is we don't know how to categorize all the spending. So we have these really detailed P&Ls that have your cost of goods, your labor, your controllable expenses such as restaurant supplies is the big one, non-controllables which is like your credit card processing, things like that. And finally, occupancy is the last thing, and that's your rent, is the major one there.

And when the owner is spending even on a credit card, even if it's one credit card, we don't know how to categorize all that spending. Sometimes we can't. You know, we know when it's a gas station and we know when it's a grocery store. But if they go to Restaurant Depot, you could buy supplies, you could buy all your cost of goods, and we don't know if you're buying meat or beverage.

Andy: We used to do something and we would call it "coding invoices" or "coding receipts." And we would write in, literally by hand, I know this is archaic, what category on the P&L this item on the receipt from Restaurant Depot hits. Is it a POS roll going to paper supplies? Is it compostable boxes? Is it a food item, a wine item? Whatever. And we would break it down for you so the receipt totals the total, and it's all broken down in categories. I'm going to say this word again, it seems archaic and labor-intensive. Are there fixes to this today?

Dan: Yes. So there are apps now. There's two major companies that do this where you send them receipts or invoices. They do the breakdown for you. It's the same effect as you're talking about. The problem is nobody's using this anymore. They've thrown it all to the wayside in order to save bookkeeping costs. So it's just,

Andy: That's a bad trade-off, isn't it? In your opinion.

Dan: It's a bad trade-off. So why this is the biggest financial mistake is you have to be able to see ahead of time if your concept isn't working, to make quick decisions to make a change. We can't zero in or try and tell you where the problem is. The only way you're not doing well is when there's no more money in the bank, and then it's too late.

Patrick: Yeah, that was kind of a problem that I used to have a lot when I was in business, is getting reports in real-time so that you can manage your business, not like with a delay of three months or six months, but, you know, maybe 10 to 15 days after the, you know, month is over or the period, whatever you're running your reports on. And I always found that very difficult when I was in the restaurant business versus when I was working for a corporation like Jamba Juice and Starbucks. You know, I would have my P&Ls 10 days after the month was over.

Andy: Devil's advocate on that, Patrick, to working from Starbucks or Jamba Juice to a main street restaurant that has changing menus, things are more fluid and chefs shopping on their own. The concepts you're talking about with Starbucks and Jamba Juice have very, very rigid order guides and products and they know what they're getting into, whereas these maybe fine dining, main street locations, chef-driven restaurants are more fluid in how they shop and what they need, which makes accounting harder.

Patrick: Yes, absolutely. But there's got to be two people. One person who is just dealing with managing the books to get to Dan and making sure that's organized. And then there's the chef who should just, it's two jobs. And I found when I'm managing the front of house or the back of house, you can't possibly have your nose in all that. You need a partner or someone who's going to help you that you can count on to handle all that stuff. That's the best way to do it.

When you're trying to do all that, it's too much. I don't know. What does Dan have to say about this?

Dan: I should say, it's really from a bookkeeper's perspective, but I think one of the most important things that you can do to avoid, you know, losing a lot of money quickly is track your costs well.

Andy: Yeah. That's a nice little way to bottle that up, and that's why track your costs well.

Patrick: You mean like reviewing your invoices from like the Ciscos and the US Foods or the like making sure that prices haven't jumped up and making sure you got the product in the store and like all of that?

Dan: All of that. Yes. Tracking your costs well includes that. That's another thing that's gone by the wayside. Andy, you probably remember the days when the deliveries came in, you had somebody with the invoice in their hand checking off everything, making sure they got everything. And then making sure that invoice was put in the right place to make it to the bookkeeper.

Andy: Yeah.

Patrick: That's just not happening anymore, huh?

Andy: These old systems work. So it sounds like this doesn't sound like an insurmountable problem to fix. It's about habits. It's about training, getting the support from your team or bookkeeper, and it's about the habits of how you shop, how you pass on the receipts and invoices to the bookkeeping, and how they're coded properly. And I think double-edged sword there, what's the most difficult thing to fix as this subject, Dan? It's your habit. It's actually doing it every day, right?

Dan: Yes.

Andy: So it's tough. That's tough. So we talked about, you know, you're talking about cost tracking. Do smaller, mid-sized restaurants simply do a good job of tracking their numbers? It sounds like, you know, can you give me a ballpark? Are half of your clients doing this pretty well and the other half aren't?

Dan: Yes. And that's probably a really good percentage. So we still have many restaurants where they have all of their invoices. I don't know, am I allowed to say names of apps we use on a podcast or should I just do it.

Andy: Yeah.

Dan: So, MarginEdge is one of the big players right now. You can email, scan, or however, you can take a picture on your phone, send them the information. They process it. They break it down. And half of our restaurants are doing this and they're tracking their costs very well. It's not essential for us to get even more detailed. Like, we don't even ask for inventory anymore. If you're tracking your costs pretty well, meaning we're getting coded invoices like Andy mentioned, we really wait until we see one of the subcategories get out of line. So we can say, "Hey, your meat costs have skyrocketed. We need to look into this." So now it's time to count your meat, make sure you don't have people stealing.

Andy: You're kind of reverse engineering a little bit here from the accounting perspective. If your linen cost every month is at 1% of total revenue and you see this going in through this application and then all of a sudden it's at two and a half percent the next week or month or whatever your snapshot shows, that's when you call it out.

Dan: Exactly. So when costs are tracked well, when something jumps, we're able to see it almost immediately. Like you said, within a couple weeks of closing the period. And that's the kind of things that I mentioned to an owner at the P&L meeting. Linen is a great example. Those guys are, if you're not looking, they'll jack your fees. And they call it a, they call it an inventory adjustment. I don't know what's going on there. But that's a great example.

Andy: So tell me one more time, the application you were using for cost tracking is Margin what?

Dan: MarginEdge.

Andy: MarginEdge. Okay. So, it sounds like a really useful tool, especially if you can just do it from your phone with a receipt, with an invoice. I'm assuming, but I'm gathering the restaurant builds their own codes within that application so it knows for your particular business what to code it to or what category on the P&L it's going to go to.

Patrick: And then you just snap a picture of the invoice or receipt and then it just like…

Dan: Yep. And they're tied into your QuickBooks. And you can review all these images of the receipt either on their app or inside QuickBooks. So it's a handy tool. Very handy.

Andy: Amazing.

Patrick: So it's pretty accurate? Like once you take that picture and it goes into QuickBooks, you can be assured that it's going to hit the right category.

Dan: Yes. You can set your settings to either have it go directly or to approve in their application. So we go in, and we approve all of the invoices. So we're just scanning, making sure that they are coded correctly before they come into QuickBooks. But even so, if you catch something in the P&L meeting, you're going through the line item detail, you can go back into the application, update the categorization, and then you're back on track.

Andy: That's great. That sounds like a really lovely tool and it's also something that benefits the business as a whole financially to avoid misspending, miscategorization, and again, overspending too, I would guess. But here's something that I experienced when I had my restaurants. Every new application, platform, representative, all these shiny new folks come in, and it's like you have to have an application for an application for an application. And all these applications come with costs, monthly costs, fees. And so I felt at times trapped in this, "Oh God, we need this system to be better," and all it did was add a new amount every month to my subscriptions and whatnot. And so being choosy is hard because it's not always easy to say no to something that sounds healthy or good for your business, but it can have a, you know, opposite effect. And that was difficult for me.

Dan: Yes. And you sent me this beautiful outline. So people lose track of all of their subscriptions. And you're right. Every time somebody comes in and they sell you this new one, you're like, it's only $35 a month. Wow, sign me up. This is great. And next thing you know, your subscription costs are at, I don't know, $3,000 a month, right? And you're not even using half of the subscriptions. It's a really good one to keep your eye on.

It took me a while before I realized what this one particular app had to offer. But then also working directly with them to get their right tier level for the client. So, you know, their full subscription has a whole costing suite where chefs can go in and they can plan their plates and, you know, it feeds off of the invoices so it can update automatically and say, you know, cherry tomatoes went up by three cents, so your plate cost is now this much instead.

Patrick: So you're able to do manual costing in real time, basically. As you're actually, yeah, that's great.

Dan: But that's more expensive. And many chefs don't have the skills to track that or even move on that kind of information.

Patrick: Yeah, I think that's like the biggest, like, tool, resource that you can ever do is to cost out your menu. And I think a very small percentage of people do that.

Dan: Agreed. Yeah. So they have another tier, which is just the most simple, you know, I want to shoot an image of this to you and you break down the receipt for me, and that's it.

Andy: Yeah. Simple and good. I would use that one.

Dan: Yeah.

Andy: Too many bells and whistles is not always a good thing.

Ep #60: The Most Expensive Mistakes Restaurant Owners Make with Dan Engel

Dan: Yeah. But coming back to what you said, of course, that guy's going to walk in your restaurant and sell you that full suite at, I don't know how many thousands.

Andy: Patrick called me out on this earlier that there needs to be more eyes on these tasks, because if you just put it on the chef or just put it on the owner, in your opinion, Dan, how should a business owner, how much should they involve their management team in things into breaking down these receipts, invoices, or sharing financial information with the bookkeeper or accountants?

Dan: Yeah, we've seen a kind of move away from having a management team. Most of my clients are small business owners and the owners wear all the hats. If you are big enough and you can support a management team, I would get them as involved as possible and hold them accountable. And you got to teach them the skills too so that they can identify things that are going wrong and also have possible solutions to offer.

Andy: It's powerful information for them to have. Patrick and I have joked about this one, too. It's like, remember when the WiFi goes off in a restaurant and all the systems stop working, and we'll see a younger generation, like their eyes will just, they'll look like absolutely confused rather than, "Let's pull out the carbon copies and process credit cards offline." So some of these old systems are very useful to train. I think you can empower your team with those sort of things.

Patrick: I think also, the more transparency that your management team has into your financial health, you know, sometimes your team, they just see the line out the door. They think that you're making money hand over fist. And they don't understand the challenges that you have on the back end, right? And so having them buy into that a little bit more, I think they start to understand the challenges and then they want to help more because they're seeing it in real time.

Andy: Patrick, I think your favorite category is coming up here.

Patrick: Is it my favorite or your favorite?

Andy: It's becoming mine.

Ep #60: The Most Expensive Mistakes Restaurant Owners Make with Dan Engel

Patrick: What are you seeing as far as prime costs? You know, which is basically labor and cost of goods. What's reality right now and where do you like to see your clients be at with that?

Dan: The overall prime cost number hasn't changed, but you're right, it's the ratio of the labor to the cost of goods.

Dan: What we're seeing is that the cost of goods as a percentage of sales needs to shrink. So the paradigm used to be 30-30. Really easy to remember. Now we're seeing cost of goods, you really got to hit that 25 or even 20% number.

Andy: Wow.

Dan: Because labor, with minimum wage increasing, is just astronomical.

Patrick: So is it realistic for restaurants to hit 60% today with both cost of goods and labor? That's possible?

Dan: It's possible. With my most successful clients, they're doing even better than that. Their prime costs are sub-60. And a healthy range is between 55 and 65.

Andy: Yeah. Any of those full-service restaurants, or are a lot of those counter service QSR or otherwise?

Dan: Full-service restaurants.

Andy: Wow. Good to know.

Patrick: And are those like with revenue above $2 million, $3 million? I mean, I would assume their labor costs is going to be much higher as their revenue is much lower.

Dan: The clients I'm thinking of are over $2 million per year. One is counter service and the other is full service that I'm thinking of. Oh, the one that's counter service also transitioned to a lot of DoorDash. Makes up, I think more than 50% of their business.

Andy: Wow.

Dan: Yeah.

Patrick: So their commissions must be like pretty significant.

Dan: And what we're seeing also is, in terms of prime cost is, this comes back to menu design. So very concise menus that are easy to execute, don't take a lot of labor, and also to-go or DoorDash-friendly.

Andy: So let's talk about that a little bit more on menu side. When you say concise, you're referring to the size of the menu?

Dan: Exactly. And we're talking fitting on one page.

Andy: There we go. Okay. Good. I think that also to those of us who are health conscious and obviously like quality fresh food, that should be an indicator that they most likely do have, you know, fresh ingredients coming in and are not overthinking things that, you know, this massive menu where things are sitting in a freezer or the back or what not.

Let's talk about execution, because you brought up execution as a reference to how your menu should be structured. And what's an example of that, Dan? Are we talking about what kind of prep goes into a sauce or an item or whatnot? How much actual labor goes into that?

Dan: Exactly. And it's mostly prep costs. I've had restaurants go under because they would have a full kitchen staff there on a day they were closed just to prep. This one prepped sausages from pig or cow or whatever. They would get the livestock in, they would butcher it, they would make these just the most amazing, delicious sausages, but they just overspent on labor for all that prep time.

Andy: We've seen some really savvy operators. Patrick has, he probably has plenty of examples too, but savvy operators that do, I'll call them out, Rose Pizzeria, fantastic Bay Area pizzeria, and at one of their locations, they do fresh bagels and stuff in the mornings when they're not open. And they have that going out the door at the counter and so on. But they're not a bagel place, they're a pizza place. But they make great bagels and breakfast stuff, and then they open for lunch and dinner for pizza. And so they are actually having a different revenue stream and drawing customers in for that reason while they're prepping for their pizza rush.

So, all right, well, we touched a little bit on labor as far as prepping food, but what about labor as a whole, Dan? This is the black hole of the dollars that business owners spend. Is it number one right now?

Dan: Yes, definitely. And this is the hardest question for me to answer. It's probably the hardest thing to change in the restaurant. I have had some situations where I badger somebody on their labor costs on their P&L, and they say, "We're at bare bones minimum. There's no way we can go." And then maybe three months later I hear, "Well, I let my host go, and I'm hosting now." And then I was able to drop somebody in the kitchen, and we're going with three servers on Thursday instead of five, you know?

So it's really tough, but I do encourage people to, you know, examine what's going on, try to stagger your in times. You know, you should not have any overtime in the front of the house, things like that. There's always something you can kind of dig into and save a little bit here and there. Yeah. That's a tough one though.

Andy: If your labor is truly done intelligently, it's smart, it's cut and dry that you can't really do anything else to cut labor and it's still not doing well, it's more of a revenue problem, right? You're just not attracting enough.

Patrick: Revenue fixes everything.

Andy: Yes.

Patrick: You know what I'm saying? So like if you really, if you can just get your sales, your revenue as high, like, you know, when you start doing $4, $5, $6 million, you're not going to have a labor problem. You can only have so many people in the store, right? But that's when you start having other problems because then people get loose on cost of goods and get loose on everything else. So, you know, there's always something to keep an eye on.

Dan: Before this, you asked him some really good questions, what's the easiest mistake to fix and what's the most difficult? And I would say that sales is the most difficult problem to fix. Just to jump off what Patrick said, if your sales aren't there, you just have to get really creative. I have seen people turn things around with marketing campaigns on, you know, Instagram or other things like that. But it's tough to get those butts in the seat sometimes, just to make sure you have enough sales to support the restaurant. So that's probably the hardest thing.

I'd say the easiest thing to fix that a lot of people are missing is increasing menu prices on a regular basis. So I don't think the restaurant industry kept up with inflation, especially during the COVID period. It took people a long time to get used to the $15 burger five years ago. And now people are comfortable with a $25 burger at some places. So, all right, that's just what it costs. That's one of the easiest things to do is just plan to raise 5, 10% across the board on your menu on a quarterly basis.

Patrick: Yeah. Wow. I think it's essential that you do it at least once a year, but you're saying every quarter. Wow.

Dan: Essential once a year. And yeah, I'm pushing for smaller increments throughout the year.

Andy: That's a hard pill to swallow for an owner-operator, especially if you're in a neighborhood location, you don't want to alienate people by price, your customer base by price. I think I said it a million times to you, Dan, is, gosh, are we going to have to start selling $10 french fries? You know what I mean? And lo and behold, by about 2017 or 18, we were selling $10 french fries. You know, and no one batted an eyelash. So I think it's a good advice from you to say, get over your fear owner-operators of this. Keep up with inflation or exceed it just a little bit. It's okay.

Dan: Yeah. Beer prices are something that confuses me. We did a sample of all of our clients on what a pint of beer costs. And the range was from like $6 to $12 was what we saw. And it didn't really make sense looking at all the different restaurants how everybody came up with their pint of beer costs. I'd be fascinated to hear some feedback on that. I don't know, you can put that out there on your podcast.

Patrick: You're saying that some people charge $6, as low as $6, and some people charge as high as $12?

Dan: Yes.

Patrick: And like, what does a pint of beer actually cost?

Dan: Exactly. So I was thinking,

Andy: We would break that down to the ounce, you know? We would break it down to the ounce and see about the keg cost, how many, how many pints are in there, and then do the reverse math.

Patrick: Yeah, I mean, some kegs are more expensive than others. I mean, if it's like a really nice beer. Yeah. So maybe that's what, you know, the difference in price is.

Dan: Definitely. Andy, you just said some magic words. Do the math. I want to highlight that. A lot of people don't do the math. And I'm talking about even when you first look at your venue that you're thinking about purchasing for a restaurant, do the math. Count the number of seats. How many covers do you need in a night to cover your cost? So doing the math, to me, just one of the most important.

Andy: Gosh, Patrick, did you think Dan the accountant would like that phrase? There was I wasn't shocked at all when he said, "Do the math."

Patrick: Do the math. Yeah.

Ep #60: The Most Expensive Mistakes Restaurant Owners Make with Dan Engel

Andy: Let's rapid-fire a couple things at you, Dan, about a P&L. Are your clients overspending on advertising generally?

Dan: No.

Andy: Advertising we're talking these days, it's social media, all these things, right?

Dan: Right. Advertising is pretty much out. I don't have any clients doing major advertising campaigns. Some are doing some Facebook, Google, but I don't have anybody doing a heavy campaign. And these marketing campaigns are hard to quantify in terms of the return on the money that you invested in them. So they're kind of out.

Patrick: What's the biggest bang for the buck? You know, if you wanted to help your restaurant, what would you spend that on?

Dan: The restaurants that are able to set enough money aside to kind of sharpen up their restaurant, to, you know, put that new coat of paint on or redo the flooring or something like that. It seems to pay off a lot. The customers come back, they feel like it's got a new face on it. That translates into sales.

Andy: What are the categories that we touched on, linen? That's something we the owner-operator, should always be checking on. Are there any other little, you know, supply lines that you see overspending on?

Dan: So we also touched on software subscriptions. Keep an eye on that. And you probably remember from back in the day when we did P&Ls, there's a line called restaurant supplies or operating supplies.

Andy: Oh, yeah.

Dan: And that's where we toss in stuff that we're like, I have no idea what you bought. These days, that line item is filled with Amazon purchases. We have no idea what you got on Amazon. And at the end of the month or the period, it's up to 5, 6, $7,000 and nobody knows what they got, right?

Ep #60: The Most Expensive Mistakes Restaurant Owners Make with Dan Engel

Patrick: Yeah.

Andy: Wow. Their apartment is stocked then. I really think this is one of the most interesting subjects and I'm so curious about this with you, Dan. Let's talk about borrowing money. What are the most expensive ways to borrow money for restaurants these days? And that's not usually what how you lead with that. What's the cheapest way to borrow money? But we want to know what the most expensive ways that restaurants can borrow monies these days and how you would steer them in another direction.

Dan: Yes. So it is probably the easiest and the least successful is borrowing from your POS. Every time you step up to that POS, you know, just to clock in, it's got a banner there that says, "Borrow money." Yeah. And it's hard not to just hit the button and boom, the cash is in your account.

And they are super creative. They don't even call it a loan anymore. I don't know what they call it, but they basically give you money, and they charge you a fee. And then they take it out of your credit card sales so that you don't even know it's gone.

Patrick: I see that on every, I mean, I can't even tell you how many times I, you know, on the UCC-1 filings, you know, when I look at it, and you see Webank and I'm like, yep, POS loan.

Dan: These come at astronomical fees, the equivalent of 30 to 50% interest, if you look at them. They're taking it out of your credit card transaction, so you're not getting the full deposit. And next thing you know, your cash flow is just dusted. It's just gone.

Andy: Yeah. So you're still paying a credit card processing fee. Yeah. Right? And then they are deducting their dollars and interest from that dollar that was charged through your credit card, you know, processing. It's already a deficit situation and it just keeps compiling.

Patrick: Yeah, because that's the next thing that you're going to end up owing is your sales tax because now you're instead of getting whatever your credit card sales every day, well, it's going to be like 20, 30% less or whatever the number is. And just think about what that does to your cash flow. You know, there's nothing left over.

Andy: We used to actually be okay, Dan, with just programs that were, I don't know, if you're certain credit cards or iDines and things like this where they actually put a customer in,

Dan: iDine.

Andy: you know, they put a customer in your seat, right? And that's they can quantify how many people are coming in because of the program.

Dan: Yep.

Andy: You had pros and cons on that. You didn't love that program either, did you?

Dan: I was just talking to a colleague about this. The iDine situation is really hard to put a finger on because you're right, they are driving business, they're doing marketing and if you just look at the numbers, you borrow $50,000, you have to repay 100. So that sounds horrible, right?

Andy: Yes.

Dan: But they do seem to work out because of the business they're driving. They don't really take money unless they've sent one of their members to your restaurant. So I would recommend that before the POS situation. I also would like to drop another name of a company. It's called lendistry.com. And Lendistry is, I don't have direct experience with it, but it saved one of my clients.

Andy: Going out of business?

Dan: From going out of business, borrowing money at a reasonable rate. So they went to Lendistry and it seems like it's a portal. They put you together with one of their representatives who goes out and searches all the different loans available for your business depending on your financial situation. And then they present you with three, four, five options, from a three-month bridge loan to a, I think in this case it was even up to five-year SBA loan at a reasonable rate.

Patrick: Wow.

Dan: This company seems to have their pulse on borrowing money and even if you're in dire financial straits, they'll find you something that's better than one of these POS loans.

Andy: That is invaluable advice, Dan. We really appreciate it. I was going to ask you what your suggestion is, but that's great to have a company like this bring you something that may suit you in your current situation. So great. Amazing. All right. Dan, the dreaded bonus question, okay? And no names. Don't name me on this one, okay? No names.

Dan: Okay. Yes. Okay.

Andy: All right. Can you share an example of one of the most egregious overspending, you know, habits that you've witnessed from one of your restaurant clients? And again, no names. Is there been just some that you just go, oh my God, this is out of control and I can't rein it in because they're just on a war path.

Dan: I've seen that kind of overspending where the owner is a little bit distant from the restaurant. They have a management team in place and they just keep on scooping money out of the business. The business can't even pay payroll and they're still just spending like mad. Usually, if the owner is involved in any capacity, if they're there managing, even if they're participating in monthly P&L meetings, something, that usually doesn't happen. But yeah, we've had to see.

Andy: That's really good. You know, you can you just said it perfectly right there. If you're distanced from your business itself, then it's kind of easy to wave the wand and say, hey, comp this meal for someone or, hey, I'm going to book my airline ticket on this and, or, yeah, exactly. So, Patrick: Dan, let me ask you a follow-up to that. What was Andy's biggest spend? What did you have to rein him in on?

Dan: Andy, I got to give it up to you. You are one of the most, wait, is the word practical or pragmatic? Andy is able to identify really, really well if something isn't working and pivot and be flexible. I don't think, this is my perspective here, but you're not the kind of owner or operator that gets attached to anything that says, "I have to have this menu item. It defines me." No.

Andy: Yeah. Yeah.

Patrick: Right on, Andy.

Dan: Let's get this off of the menu, right? Or time to close the business or whatever has to happen.

Andy: Yeah. I really appreciate that, Dan. Patrick, you were expecting something else, but I paid him off before this episode.

Patrick: I wanted some juicy tidbits.

Andy: There's no juicy, man. I want my business to survive, so that's why I will make the right decision for it. Okay.

Dan: No juice.

Andy: Well, Dan, you're you're the best and I can't tell you, like, there's been feedback from folks, listeners that, you know, just the straightforward delivery that you have, they are very real-world, current bits of advice that you always give through these episodes you share with us. So we're going to call you for a four-peat at some point, you know, so. Anyways, but big thank you to you.

Dan: Thank you. It's an absolute pleasure. I mean, I didn't expect to talk for this long and it just goes by so quick with you guys. It's so much fun talking to you.

Andy: Is there an email address you could share again with our listeners, just in case they're looking for services related to restaurant accounting?

Dan: Yes, we are info@engelaccounting.com and Engel is spelled E N G E L.

Andy: Thank you so very much, Dan. We'll see you again. Patrick, over and out.

Dan: Thank you.

Thank you all for listening to this week's episode of *Restaurant Deal Making EXPOSED!* If you're considering selling your business and would like a free consultation, reach out to patrickAndAndy@therestaurantsalesbroker.com or visit TheRestaurantSalesBroker.com to learn more.