

# Jersey Mike's Operational Performance Analysis

**Analysis Period:** June 16 - July 13, 2025 (4 weeks)

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## EXECUTIVE SUMMARY

This analysis examines 28 days of operational data from a Jersey Mike's location to identify inefficiencies in labor scheduling and sales forecasting. The analysis reveals significant opportunities for cost reduction through optimized staffing practices.

### Key Findings:

- Friday operations show consistent overstaffing with a negative 3.2 hour variance despite moderate sales performance
- Thursday demonstrates optimal labor efficiency with a positive 2.08 hour variance and serves as the best-practice model
- One critical incident on July 7th resulted in 14 hours of excess labor, costing \$210 in a single day
- Sales forecasting accuracy averaged 96.8%, missing target by only 3.17%

### Financial Impact:

Potential savings of \$330 per month or \$3,960 annually from improved labor scheduling alone. This represents an 8-10% reduction in controllable labor costs.

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## I. DATA PREPARATION & METHODOLOGY

### Data Source

Operational data spanning 28 days including daily sales (actual vs. forecasted), labor hours (used vs. allowed), hourly bread production metrics, and day-of-week patterns.

## **Data Cleaning**

Reformatted date fields for consistency, standardized currency formats for sales and cost calculations, created calculated fields for variance analysis, and validated data integrity with no duplicates or missing values identified.

## **Analysis Tools**

Microsoft Excel for pivot tables and statistical analysis, SQL for database querying and aggregation, and Tableau for data visualization and pattern identification.

## **Key Assumptions**

Average hourly wage of \$15.00, standard work week of 4 occurrences per day of week, and labor variance threshold for concern set at  $\pm 2.0$  hours.

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# **II. KEY FINDINGS**

## **A. Sales Performance Analysis**

### **Overall Performance:**

Total sales reached \$101,042 over the 28-day period, averaging \$3,609 per day. The operation fell short of forecasted sales by \$3,700, representing a 3.17% variance from target.

### **Sales Patterns by Day of Week:**

Saturday emerged as the strongest sales day, averaging \$3,750 and ranking first among all days. Wednesday followed closely in second place at \$3,688, demonstrating consistent mid-week strength. Monday placed third at \$3,616, while Friday came in fourth at \$3,518. The weakest performing days were Sunday at \$3,357 and Tuesday at \$3,242.

The gap between the strongest day (Saturday) and weakest day (Tuesday) was \$508, representing a 15.7% variance. This pattern indicates significant day-of-week variability that should inform staffing decisions.

### **Key Observations:**

Mid-week sales (Wednesday through Thursday) remain consistently strong, suggesting reliable customer traffic during these periods. Tuesday and Sunday show the weakest

performance, indicating potential opportunities for targeted promotions or adjusted operating costs during these periods.

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## **B. Labor Efficiency Analysis**

### **Overall Labor Performance:**

The location demonstrated an average daily manhours variance of positive 0.29 hours, indicating slight under-utilization of the allowed labor budget. This overall efficiency masks significant day-to-day variability requiring attention.

### **Labor Variance by Day of Week:**

Thursday stands out as the most efficient operating day with a positive 2.08 hour variance, effectively operating \$125 under budget monthly. Monday and Wednesday also perform well with positive variances of 1.80 and 1.55 hours respectively. Sunday maintains acceptable efficiency with a positive 0.88 hour variance.

However, three days show concerning patterns. Saturday runs slightly over budget with a negative 0.35 hour variance, representing \$21 in monthly excess costs. Tuesday performs worse at negative 0.70 hours, costing \$42 monthly in unnecessary labor. Most critically, Friday demonstrates severe inefficiency with a negative 3.20 hour variance, resulting in \$192 in monthly waste.

### **Interpretation:**

Positive variance indicates under-budget operations (efficient), while negative variance represents over-budget operations (inefficient). The Friday pattern represents the single largest opportunity for immediate cost reduction.

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## **C. Critical Incident Analysis**

### **July 7th Labor Overrun:**

On July 7th, the location experienced a severe labor overrun, using 50 hours against an allowed budget of 36 hours. This 14-hour variance resulted in \$210 in unnecessary labor costs for a single day.

### **Root Cause Analysis:**

Investigation revealed this incident occurred on a day that was not busy, indicating overscheduling as the primary cause. Management failed to adjust staffing levels

mid-shift despite lower-than-expected sales volume. No employees were sent home early despite the obvious mismatch between staffing levels and customer demand.

**Pattern Recognition:**

This incident is not an isolated anomaly but rather an extreme example of a systematic issue. Friday consistently shows similar patterns of overstaffing, suggesting inadequate staffing protocols and lack of real-time adjustment capabilities during slower periods.

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## **D. Hourly Sales Pattern Analysis**

**Peak Performance Hours:**

The lunch hour from 12:00 PM to 1:00 PM represents the highest sales volume period across all days analyzed. The hour preceding lunch (11:00 AM to 12:00 PM) shows steady sales as customer traffic builds toward the peak period.

**Low Activity Periods:**

The 10:00 AM to 11:00 AM window consistently shows the lowest sales volume, which is expected as this represents the opening hour before the lunch rush. The 3:00 PM to 4:00 PM period shows a significant post-lunch lull with minimal customer traffic.

**Operational Considerations:**

While the 10-11 AM period shows low sales, bread production during this time remains operationally necessary to ensure adequate inventory for the lunch rush. However, the 3-4 PM lull may present an opportunity for staffing reductions as bread production is complete and customer traffic is minimal.

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## **E. Sales Forecasting Accuracy**

**Accuracy Assessment:**

Overall forecasting accuracy reached 96.8%, missing the target by only 3.17%. The total shortfall of \$3,700 over 28 days represents an average daily miss of \$132.

**Holiday Impact:**

July 4th represented a significant outlier with a \$2,609 shortfall, which is an expected and explainable variance given the holiday's impact on customer behavior. Excluding this single day, the remaining 27 days averaged approximately \$1,091 in total shortfall, or roughly \$40 per day.

**Assessment:**

Forecasting accuracy of 96.8% falls within acceptable ranges for quick-service restaurant operations. Several days exceeded forecast targets, partially offsetting the shortfalls. The primary forecasting challenge stems from unpredictable events like holidays rather than systematic forecasting errors. Standard forecasting protocols appear adequate and do not require immediate intervention.

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### III. DETAILED COMPARATIVE ANALYSIS

**Thursday vs. Friday Performance Deep Dive**

Thursday and Friday present a compelling case study in operational efficiency. Despite nearly identical average daily sales—Thursday at \$3,494 and Friday at \$3,518, a difference of only \$24 or 0.7%—these two days demonstrate vastly different labor efficiency profiles.

Thursday operates with a positive 2.08 hour variance, effectively saving \$125 monthly while maintaining full service capability. Friday, conversely, runs at a negative 3.20 hour variance, wasting \$192 monthly in unnecessary labor. The 5.28 hour efficiency gap between these two days, despite comparable sales volumes, reveals a \$317 monthly cost difference.

This stark contrast indicates that Friday's staffing decisions do not align with actual sales patterns. Thursday's staffing model should serve as the operational benchmark for days with similar sales volumes, providing a proven template for efficiency.

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### IV. RECOMMENDATIONS

**Recommendation #1: Optimize Friday Staffing**

**Priority: HIGH | Implementation Difficulty: LOW**

**Finding:**

Friday demonstrates consistent labor inefficiency with a negative 3.2 hour variance despite ranking only fourth in daily sales performance. This pattern represents systematic overstaffing relative to actual customer demand.

**Recommended Actions:**

Reduce Friday staffing by three hours through one or more tactical adjustments. Options include delaying one employee's start time by one hour, releasing one employee two hours early during the 3-4 PM slow period, or reducing headcount by one person during the slower shift. Monitor sales per labor hour metrics for the first four weeks post-implementation and adjust if customer wait times increase beyond acceptable thresholds.

**Expected Impact:**

This change will generate cost savings of \$45-48 per Friday, accumulating to \$180-192 monthly and \$2,160-2,304 annually. The risk level is low as sales data strongly supports the reduction. Success will be measured by labor variance improving from negative 3.2 to a range of negative 0.5 to positive 0.5, with customer satisfaction scores remaining stable or improving and no increase in wait time complaints.

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**Recommendation #2: Replicate Thursday Staffing Model**

**Priority: MEDIUM | Implementation Difficulty: MEDIUM**

**Finding:**

Thursday achieves optimal labor efficiency with a positive 2.08 variance while maintaining comparable sales to Friday and other mid-week days. This model represents documented best-practice operations.

**Recommended Actions:**

Begin by thoroughly documenting Thursday's current staffing configuration, including the number of employees per shift, specific shift times and roles, and break schedules with coverage patterns. Pilot Thursday's model on Monday and Wednesday, which show similar sales patterns. Develop standardized staffing templates by sales volume tiers: a high volume model for days exceeding \$3,600 in sales like Saturday and Wednesday, a medium volume model based on Thursday's approach for days between \$3,400-3,600, and an optimized lean model for lower volume days under \$3,400.

**Expected Impact:**

This systematic approach should generate efficiency improvements of one to two hours per day on pilot days, translating to \$50-100 in monthly savings and \$600-1,200 annually. Additional benefits include improved consistency in operations and better predictability. Success metrics include Monday and Wednesday achieving positive variance, overall weekly variance improving by three to five hours, and employee satisfaction remaining stable with manageable workloads.

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### **Recommendation #3: Implement Dynamic Labor Management Protocol**

**Priority: HIGH | Implementation Difficulty: LOW**

**Finding:**

The July 7th incident resulting in 14 hours excess labor and \$210 waste, combined with Friday's consistent overstaffing, indicates a lack of real-time staffing adjustments. Current protocols appear reactive rather than proactive.

**Recommended Actions:**

Establish a mid-shift assessment at hour three of operations. At this checkpoint, compare actual sales to forecast. If tracking more than 15% below forecast, release one employee early. If tracking more than 15% above forecast, call in on-call staff or adjust coverage. Create a simple decision matrix: at 85% or below of forecast, send one person home; between 85-115% of forecast, maintain current staffing; at 115% or above of forecast, call backup if available. Empower shift leaders with authority to make immediate staffing decisions and track all adjustment decisions for continuous improvement analysis.

**Expected Impact:**

This protocol will prevent one to two major overstaffing events per month similar to the July 7th incident, generating \$100-200 in monthly savings and \$1,200-2,400 annually. Operational benefits include improved responsiveness to real-time conditions and better overall cost control. Success will be measured by zero incidents of greater than 10-hour labor overruns, shift leaders making documented staffing decisions on 80% of operating days, and overall labor variance improving by 10-15%.

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## **V. IMPLEMENTATION ROADMAP**

**Phase 1: Immediate Actions (Weeks 1-2)**

Begin with implementation of the Dynamic Labor Management protocol as it requires minimal preparation and delivers immediate results. Simultaneously start documenting Thursday's staffing patterns in detail. Initiate a pilot test by reducing Friday staffing by two hours to validate the approach with minimal risk.

**Phase 2: Optimization (Weeks 3-4)**

Roll out the full Friday staffing reduction of three hours based on pilot results. Extend the Thursday model pilot to one additional day, likely Monday or Wednesday. Monitor all

changes closely and make data-driven adjustments based on initial results and feedback.

### **Phase 3: Expansion (Months 2-3)**

Deploy the Thursday staffing model across all applicable days based on sales volume tiers. Refine the decision matrix for mid-shift assessments based on operational learnings. Conduct comprehensive training for all shift leaders on new protocols and empower them to make real-time staffing decisions.

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## **VI. FINANCIAL SUMMARY**

### **Conservative Estimate:**

Friday staffing optimization will generate \$180-192 monthly or \$2,160-2,304 annually. Replication of Thursday's model across other days will add \$50-100 monthly or \$600-1,200 annually. Implementation of dynamic labor management to prevent critical incidents will contribute \$100-200 monthly or \$1,200-2,400 annually.

### **Total Single Location Impact:**

Combined monthly savings of \$330-492, accumulating to annual savings of \$3,960-5,904.

### **Scalability Analysis:**

If these operational improvements were applied across ten franchise locations, the organization would realize annual savings of \$39,600-59,040 system-wide.

### **Return on Investment:**

Implementation requires minimal capital investment, limited primarily to training time. Return on investment will be achieved within the first month of implementation, with all subsequent savings flowing directly to profitability.

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## **VII. LIMITATIONS & FUTURE ANALYSIS**

### **Data Limitations:**

This analysis is based on a four-week sample period, which may not capture full seasonal patterns or longer-term trends. The inclusion of the July 4th holiday period may skew certain results. Additionally, product mix data including waste metrics and



specific menu item performance was not available in the current dataset, limiting the depth of inventory optimization analysis.

**Recommended Future Analysis:**

Extend the analysis period to a 12-week rolling average to better understand seasonal patterns and validate findings across a longer timeframe. Incorporate product-level analysis to track waste by category and identify additional savings opportunities. Establish correlation analysis between labor levels and customer satisfaction scores to ensure reductions don't negatively impact service quality. Finally, conduct comparative benchmarking against other franchise locations to identify additional best practices and validate performance standards.

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## **VIII. CONCLUSION**

This analysis reveals significant opportunities for operational improvement through data-driven staffing optimization. The identification of Friday's substantial labor inefficiency, costing \$192 monthly, combined with Thursday's proven best-practice model generating \$125 monthly in efficiency gains, provides a clear roadmap for immediate cost reduction.

With projected annual savings ranging from \$3,960 to \$5,904 from a single location, these recommendations represent a low-risk, high-impact opportunity to improve bottom-line profitability while maintaining or potentially improving service quality standards. The recommendations require minimal capital investment and can be implemented immediately with existing staff and systems.

**Next Steps:**

Management should review these findings and approve implementation of Phase 1 recommendations. Establish tracking mechanisms for success metrics to ensure changes deliver expected results. Schedule a 30-day progress review to assess initial impact and make any necessary adjustments to the approach.

The data clearly demonstrates that operational excellence is achievable through systematic analysis and data-informed decision making. These changes position the location for sustained profitability improvements while building a culture of continuous operational enhancement.

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# APPENDIX

## A. Technical Methodology

### SQL Queries:

Analysis utilized day-of-week aggregation queries, labor variance calculations, sales performance analysis queries, and outlier identification algorithms.

### Statistical Methods:

Employed descriptive statistics including mean and variance calculations, comparative analysis between operating days, and trend identification across the analysis period.

## B. Data Visualizations

*Interactive Tableau dashboard available separately - includes day-of-week sales trends, labor efficiency heatmaps, variance analysis charts, and hourly pattern visualizations.*

## C. Supporting Documentation

Complete raw data files, detailed pivot table analyses, and calculation worksheets available upon request.