S4labour

GOLDILOCKS OPS EXCELLENCE PROGRAMME

The Labour Efficiency Playbook for Hospitality Operators

Five brands. 128 sites. Twelve months of data.

Here is what we found.

WHAT THE NUMBERS SHOW

The numbers are better than we expected...

Metric	Before	After	Change
Sales per Labour Hour	£41.17	£46.38	**+£5.21 (+12.7%)**
Labour ratio	37.1%	33.6%	**-3.4pp (-9.3% relative)**
Overstaffing (Slack)	32.8%	27.9%	**-4.9pp**
Understaffing (Stress)	14.8%	13.0%	**-1.7pp**

We tracked labour scheduling performance across 128 sites and five hospitality groups for six months before and six months after a structured Ops Excellence visit. Every site had its own visit date. Every before and after window was calculated individually. The results were not averaged up by a handful of exceptional performers. This is what happened across the full estate.

WHAT THE NUMBERS SHOW

Financial implication

In the six months following the programme, across 128 sites:

~£3.8 million estimated labour cost saving	**~£30,000** per site over six months	**~£1,100** per site per week	**~£60,000** per site per year (annualised)	**£1.2 million** for a group of 20 sites

These figures are built on real weekly data, not survey responses or self-reported estimates. The improvement in labour ratio happened against a backdrop of rising wage costs; the National Living Wage rose 5% in April 2025 and a further 2.6% in April 2026. The efficiency gains are not an artefact of benign conditions. They happened despite real cost pressure, which makes them more significant, not less.

> With analysis from Sentiment Search, across the brands with sentiment data, guest sentiment was broadly unchanged following the programme — a modest uptick in NPS of 0.98%. The one consistent positive signal was cleanliness, which improved at 4 of 5 brands. The efficiency gains have not come at a measurable cost to guest experience.

Two numbers every operator should know

Sales per Labour Hour (SPLH)

The most honest measure of labour efficiency in hospitality. Divide your total revenue for any period by the total hours of staff time that generated it. The result tells you whether your operation is becoming structurally more efficient or less. A manager who cuts hours but loses covers has not improved Sales per Labour Hour. A manager who tightens scheduling and holds or grows revenue has.

How to calculate: Total revenue (excl. VAT) ÷ Total shift hours worked = Sales per Labour Hour (£)

UK benchmark: £35–£55 typical | Above £55 is strong | Below £30 needs urgent attention

Labour Ratio

Labour ratio — sometimes called wage percentage — is your actual labour cost expressed as a percentage of revenue. A ratio of 37% means 37 pence of every pound of revenue goes on wages before anything else is paid. The lever is not cutting pay. It is scheduling the right hours in the right place.

How to calculate: Total labour cost ÷ Total net revenue × 100 = Labour Ratio (%)

National average: 32–38% | Best operations: 28–32% consistently

Before the programme:

47.6% of scheduled hours were misaligned with demand

SPLH improvement:

£41.17 → **£46.38** (+12.7%)

Labour ratio improvement:
37.1% → **33.6%** (-3.4pp)

That is the scale of the opportunity **most operators are sitting on.**

It is not about the average; it is about the pattern

The headline numbers are compelling. What is more interesting is what sits underneath them — the patterns across 128 sites that tell you which operators will improve most, which sites already have something to protect, and what the exceptional results have in common.

Finding 1: The sites with the most waste improved the most

The single strongest predictor of improvement was the level of overstaffing before the visit. Sites with the highest overstaffing scores improved at a rate of 96%. Sites with the lowest overstaffing levels improved at 59%. The sites with the most inefficiency have the most to recover. This has a direct implication for how operators should think about where to focus attention first. The site that looks like it is struggling is often the site that will respond fastest.

Finding 2: The sites that improved least were often already the strongest

Sites that showed the smallest gains — or modest declines — started from a meaningfully stronger position. Their average Sales per Labour Hour before the visit was £47.33, compared to £41.18 for sites that improved most. Their overstaffing levels were already 5 percentage points lower. There was simply less inefficiency to recover.

The programme worked most powerfully where there was most room to improve. Sites already operating efficiently largely held their position. For those sites, the value of the visit is validation and maintenance rather than transformation — which is an equally legitimate outcome, even if the numbers look smaller.

Finding 3: Smaller sites outperformed larger ones

Sites in the lowest revenue quartile improved Sales per Labour Hour by an average of £5.83, or 17.7%. Every single one improved. Sites in the highest revenue quartile improved by an average of just £0.38, and fewer than half improved at all. Larger, higher-revenue sites tend to have more established scheduling processes and less slack to recover. Smaller sites have more to gain from getting it right — and the data confirms they do.

Finding 4: Nearly a third of sites achieved a clean sweep

30% of sites — 35 out of 118 — improved on all three measures simultaneously: Sales per Labour Hour up, overstaffing down, understaffing down. These sites averaged a £8.01 improvement in Sales per Labour Hour, compared to £5.21 across the full programme. Getting all three moving in the right direction at once is harder, but the sites that managed it saw nearly twice the benefit.

Finding 5: Sites where SPLH fell still improved their scheduling

Of the 30 sites where Sales per Labour Hour declined after the programme, 28 still reduced either their overstaffing or their understaffing score — and 10 improved on both simultaneously. The scheduling itself got better at almost every site that went through the programme. Where Sales per Labour Hour fell anyway, the cause was softer trading conditions rather than scheduling failure. The data makes it possible to tell the difference — which is itself a reason to have the data in the first place.

What the sites that sustained their gains did differently

Across 128 sites, some held their improvements and some did not. The differences were not complicated. Here is what the sites that sustained their gains actually did.

1. Their managers could see the numbers this week, not last month

The most common gap we see across multi-site operators is not bad intentions or poor managers — it is the absence of current information at the right level. Many operators review labour performance monthly, in aggregate, after the fact. By the time a trend is visible in that data, the scheduling decisions that caused it are four weeks in the past.

The managers who improved most consistently had one thing in common: they could see their Sales per Labour Hour and their labour ratio for the current trading week. That visibility changed decisions. A manager who knows on Tuesday that their rota puts them 12% over budget for the week makes a different call about Thursday's shift.

2. Their rotas were built from a forecast, not from last week

The default scheduling method in most hospitality operations is habit. Last week's rota, adjusted slightly for a known event. This approach feels efficient because it is fast. It is not efficient because demand is not constant. It varies by hour, by day, by weather, by bookings, by dozens of factors that last week's pattern does not capture.

The sites that improved their scheduling accuracy built rotas from a demand forecast and then adjusted as conditions changed. The ones that did not, did not.

3. Their managers had been shown what the numbers meant

Tools and data only change behaviour if the person using them understands what they are looking at. The most effective interventions in this programme were not technology implementations. They were structured conversations with site managers about what Sales per Labour Hour means, how a demand forecast works, and what a well-built rota actually looks like for their specific venue.

Labour scheduling is a skill. It can be taught in an afternoon. Most managers have never been taught it explicitly.

4. They had a weekly review that happened without exception

Not a quarterly review. Not a monthly P&L call. A weekly check, on the same day, reviewing the same numbers, with the same accountability. The sites that built this rhythm held their improvements.

Practical markers

> *Can every site manager in your estate tell you their labour ratio for the current trading week, right now?*

> *Are your managers building rotas from a forecast, or from what they did last week?*

> *When did you last sit down with each site manager and review their scheduling decisions together?*

> *What does your weekly labour review look like — and does it happen every week without exception?*

Eleven things to do this week

The following tips come from S4labour's Ops Excellence consultants — the team that has spent years walking into real hospitality sites and finding the same patterns again and again. They are practical and immediate. They do not require a new system. They require attention, a conversation, and a decision.

1 **Walk the floor mid-afternoon, not just in the morning**

Most operators visit first thing, when it is quiet. The real test is 2 to 5pm: are staff positioned across the floor or clustered? Sites that reset fast after lunch are in control of their labour.

⏱ *Takes: one visit, timed deliberately for the quiet patch.*

2 **Read the guests, not just the rota**

Watch the room. Empty plates sitting too long, guests glancing around for attention — that is neglect, and it is almost always a labour problem. Check the toilets too.

⏱ *Takes: five minutes on any visit, no data required.*

3 **Check what time your first person clocks in**

Is a manager starting three hours before opening to do admin that could move to the mid-afternoon lull? Look at the earliest start time on this week's rota.

⏱ *Takes: two minutes looking at this week's rota.*

4 **Find your block-rostering habit and break it**

If most of the team starts and finishes at the same time, there is built-in overstaffing in the quiet patches. Staggering both start and finish times is usually the fastest improvement available.

⏱ *Takes: 15 minutes redrawing one week's rota. Visible in the numbers within a fortnight.*

5 Treat Sunday differently — it is nearly always over-resourced

Sunday is the day operators most reliably over-staff. The fix is better staggering and making sure the strongest team members are on the later shifts.

⏱ *Takes: one Sunday morning's observation, repeated for a month.*

6 Ask when the team gets the rota — and listen carefully

A rota published three days out means it was written in a rush. A rota published one to two weeks ahead means there is time to adjust for seasonality and bookings.

⏱ *Takes: one conversation.*

7 Check whether the forecast actually changes the rota

Many managers update their sales forecast mid-week as bookings shift, then leave the rota exactly as it was. A forecast that does not change labour deployment is not doing anything. Ask whether forecast and rota move together.

⏱ *Takes: one conversation, cross-checking last week's forecast revisions against what was actually worked.*

8 Find out who is really closing — and whether it makes financial sense

Salaried managers traditionally closed because their cost does not change with the clock. Check the actual closing rota against who is salaried and who is hourly. The mismatch is usually costing more than anyone has noticed.

⏱ *Takes: 10 minutes comparing the closing rota against pay types.*

9 Make sure the head chef owns the kitchen rota — not just the GM

The GM rarely knows kitchen deployment as well as the head chef does. In well-run groups, the head chef builds and owns the kitchen rota and is accountable for the hours the kitchen team actually worked.

⏱ *Takes: one conversation to clarify ownership, then a standing weekly check-in.*

10 Do not let the scheduling app replace the conversation

Apps that capture preferred availability are increasingly treated as fixed fact rather than a starting point. Technology should make scheduling easier, not replace the judgement a good manager still needs to apply.

⏱ *Takes: a standing reminder to managers — and modelling the behaviour yourself.*

11 Incentivise the number you actually want to move

Sales and labour ratio pull in opposite directions. Sales per Labour Hour resolves the conflict. If you want managers thinking about sales and labour as one connected decision, measure them on the one metric that already connects them.

⏱ *Takes: one conversation with your finance or ops team about how bonus structures are currently defined.*

> *"Small scheduling improvements compound. A manager who improves their Sales per Labour Hour by £2 per hour — across 40 labour hours a day — saves £400 a week. Across 50 sites, that is £1 million a year."*
>
> **S4labour Ops Excellence consultant**

THE WAGE COST CONTEXT

These results happened against a real cost headwind

The National Living Wage rose by 5.0% in April 2025 and a further 2.6% in April 2026. For a hospitality business running thousands of hours a week, that is a significant increase in the cost of every scheduled shift. Many operators spent that period looking for ways to absorb the pressure without damaging service.

The data from this programme shows what happened to labour costs in the sites that went through Goldilocks during the same period. Average hourly labour cost rose across the analysis windows — the NMW increase is visible in the weekly data. And despite that, the labour ratio fell by 3.4 percentage points.

The efficiency improvement was not an artefact of wage costs being held down. Wages went up. The ratio still fell. That means the number of hours being scheduled — and where they were being placed — improved enough to more than offset the rising cost of each individual hour.

This is worth stating plainly to any operator who has spent the last two years telling their board that rising wage costs are an external factor they cannot control. Scheduling efficiency is the factor they can control. And it is bigger than they think.

“Wages went up. The ratio still fell. That is the measure of what good scheduling is actually worth.”

S4labour Ops Excellence consultant

WHAT TO DO WITH THIS

Where to start

If you have read this far, you are probably already thinking about one or two sites. You may already know which one has the highest overstaffing score. Or which manager would benefit most from a structured conversation about their scheduling. Now, here are four questions. Answer them honestly and they will tell you where your opportunity is:

1. **Do you know your labour ratio by site, for this week?**
   If the answer is no — or "I can find out by end of month" — that is the first thing to fix. Weekly, site-level visibility of labour ratio is the foundation of everything else.

2. **Are your managers building rotas from a forecast or from last week?**
   This single question identifies the scheduling method in use. If the answer is last week's rota, you have an opportunity.

3. **When did you last review scheduling decisions with each site manager?**
   Not the P&L. Not covers. The actual rota — and the decisions behind it.

4. **What does your weekly labour review look like?**
   If there is not one, start there. One meeting, every Monday, reviewing Sales per Labour Hour and labour ratio by site. Forty-five minutes. It compounds quickly.

Ready to see what your sites could look like?

S4labour provides real-time labour scheduling and efficiency data to hospitality operators across the UK. Our Ops Excellence programme combines structured site visits with S4labour's data platform to deliver measurable, sustained improvements in Sales per Labour Hour and labour ratio.

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S4labour

Labour efficiency is not a nice-to-have. It is a survival skill.

The operators who know their numbers — and act on them — will be the ones still here in five years. The ones who do not are already losing margin they cannot see.

Real-time labour scheduling and efficiency for hospitality.

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