

SCANNABAR

Providers of inventory management solutions

WORKING TO BETTER YOUR BOTTOM LINE

ABOUT OUR COMPANY

Scannabar Inc. is a Montreal-based software developer specializing in automated inventory-control solutions that are specifically geared to the hospitality industry. In business since 1998, Scannabar has become a leading provider of inventory-management systems to bars, nightclubs, hotels and restaurants across the U.S. and Canada. Scannabar boasts a client list that includes: Ritz Carlton, Delta Hotels, Day's Inn, Best Western, Travelodge, The Cleveland Hotel and Nightclub, Marco Beach Resort, Dock's Waterfront Entertainment, Pennylane Entertainment Group, Dave and Buster's, Sullivan's Steakhouse Restaurants and Sawmill Restaurant Group. Scannabar has enabled these and scores of other companies to gain control of their inventory and achieve greater profitability.

Raison d'être

According to the U.S. Census Bureau's last report, the U.S. hospitality industry generated over \$53.2 billion from the sale of liquor products in 2002. Moreover, according to the Bureau's growth statistics, liquor sales, in drinking establishments alone, are projected to top \$66.5 billion by 2006. Industry studies, however, estimate that 20% to 30% of liquor inventory—and of potential *liquor-sales revenue*—is lost as a result of "shrinkage" (the volume depletion of liquor product due to over-pouring, spoilage, spillage, and theft). These figures clearly underscore both the industry's potential profitability *and* the need to implement an effective and reliable liquor-inventory control system.

Although pour limiters, electronic and mechanical, have been around for many years, the hospitality industry as a whole has been rather reluctant to implement these types of mechanisms. And that's quite understandable given the weaknesses inherent in such devices. These weaknesses include: lack of free-pour capability, lack of precision and reliability, high equipment cost, high maintenance cost, intrusiveness, difficulty of implementation, and susceptibility to tampering. The most glaring weakness that these devices suffer, however, is that they really don't do very much with regard to actual *inventory control*. While such systems might help to limit the flow of liquor from a bottle, they *cannot* tell you how many bottles of a given brand you really have in stock, or if any of the bottles you purchased are missing, or even if there is any variance between the *assumed* pour quantity and the amount of liquor that has actually been depleted. Even with a pour-limiting system in place, a beverage manager would still need to perform inventory duties to get an accurate picture of how well the business is running. He or she would still have to manually count each bottle in stock, use weight scales to gauge each bottle's actual content, and try to account for any discrepancies.

Enter Scannabar

Familiar with the inefficiencies of the industry, and with the inadequacy of existing "solutions", a group of experienced hotel and bar managers set out to devise a way to facilitate the necessary tracking of inventory, and to finally develop an effective solution to the industry's costly shrinkage problem. They succeeded.

Scannabar's unique, patented system is the most accurate, reliable and versatile inventory-control system on the market. Combining the latest in wireless technology with proprietary software and bar-code/volume scanning methods, the Scannabar system allows managers to continuously track and measure their entire supply of wine and liquor, and to maximize the returns generated by these assets.

How is Scannabar different from other "beverage tracking" systems? For one thing, no other product offers accuracy, reliability and versatility in a single package. What *really* sets Scannabar apart, however, is the benefit of *accountability*. While other products may monitor the volume and depletion of inventory in general terms, Scannabar tracks and audits each bottle, *each ounce*, of liquor product individually. Where other products may inform you that a certain volume of a particular vodka is missing, Scannabar will tell you exactly where, at what point, and from which bottle the vodka disappeared.

By keeping such a close tab on every ounce of liquor in stock, Scannabar's fast, simple-to-use system allows managers to achieve substantially-diminished shrinkage rates and recover lost revenue. The Scannabar system has proven to be so effective in this regard that some of the company's clients have reported shrinkage rates as low as 1%-2%. Compare this to the 20%-30% that the industry generally suffers, and it's easy to see how Scannabar can have a substantial positive effect on a company's ROI.

As effective as Scannabar's system has proven to be, it has just gotten better. The company has just developed a new module for the system that allows clients to not only better manage their wine and liquor supplies, but all other supplies as well. This new module will be of special benefit to hotel operators, who may now use a single system to help them keep track of a wide array of products. Scannabar's newly-expanded system now allows hoteliers to manage entire inventories with greater facility and greater efficiency.