

### CHURCH STREET CONCEPTS

Church Street Concepts is a nightclub conglomerate operating five individual and distinct venues in downtown Orlando, including Makos (home to MTV's hit reality show, *The Wild Girls of Makos*), Oakroom, 23, Revel, and Backroom. In business since 1996, the company generates over \$5 million in beverage revenues annually and employs close to 200 people.

Cost controls and accountability can be a challenge for any nightclub/bar setting. Industry studies estimate that 25% to 30% of liquor volume is regularly lost to "shrinkage" (the volume depletion of liquor product due to overpouring, spoilage, spillage, and theft). Church Street realized that it needed a solution that would streamline bar control costs, improve procurement processes and work seamlessly with their existing point of sale (POS) system, to maximize profitability and productivity. They turned to Scannabar, a patented electronic liquor inventory system, to address all their needs.

### Better Processes, Better Results

Management realized it needed improved controls in key areas of the operation. The multiple revenue centres they were running were not integrated under one system. Beverage pour processes



were not standardized. There was also no way to identify the origin of any suspicious activity -- a reality in the industry that exceeds any other business sector. As for purchasing, there was no procurement process in place to ensure efficient monitoring and ordering.

Church Street's beverage-cost average was 24% when they were using an external auditing service for beverage monitoring. Performed on a monthly basis, the method would weigh and compare units of products dispensed against the units of products sold and recorded through Church Street's POS system. Management saw a weakness in the system because it lacked precision. "Bevinco would tell me you're missing gin, but they couldn't tell me what type of gin or from which bar it went missing", said Fonda Byrd, Church Street's Assistant Inventory Controller. "Scannabar was able to give me those kinds of details, and that's why we went with them."

### Setting the Bar

The Scannabar system helped management realize they had no set standards in their beverage



BACKROOM

rével

OAKROOM

23

#### Customer at a Glance

##### Church Street Concepts

**Industry:** Bar/Nightclub

**Challenge:** To increase profitability by finding a more effective, less time-consuming, less expensive method of controlling liquor inventory.

**Solution:** Scannabar Liquor Inventory Control System with POS integration

**Results:** Beverage costs were quickly reduced from 24% to 17%, which translated to a \$350,000 increase in annual revenue.

pour processes. There was no way of knowing if there was a problem with overpouring or underpouring at any of their stations. Scannabar helped them determine par levels for every type of beverage being sold, which in turn were input into the Scannabar system. This provided accountability, within a free-pour environment, for every ounce of alcohol being used.

With an accurate beverage pour process in place, and Scannabar's real-time transmission capabilities, Church Street now had the tools to detect any discrepancies, at any station as they were occurring, allowing them to quickly take control.

Fonda Byrd said the nightclub saw results almost immediately. Beverage costs went down to 17% from 24% within a month after the Scannabar system was implemented. "We were expecting to go down to 20%, so we were ecstatic that we have gone down to 17%."

Prior to the implementation of the Scannabar system, Church Street was using a manual system to take inventory of their bars and stockroom. Byrd says, "We would make up a list of what was missing from the bars. As for the stockroom, we had to physically count every bottle. We would take inventory once a week to see what we needed to order." Church Street was spending a total of three hours per week on the process.

Byrd says Scannabar "has cut inventory time in half and we never order stuff we really don't need." They use the system to print out a monthly report for their stockroom procurement, at a touch of a button. Management also liked the flexibility of the new system, allowing them to conduct inventory in-

house and whenever it suited their needs. Byrd, who works with the Scannabar system closely, chooses to scan the bottles daily, so she can have up-to-date reports on any inconsistencies in bar inventory.

## Smooth Transition

The Scannabar system was implemented over three days. "It was very easy to do, but was the most time-consuming part of the new system. You have to determine what your beverage pours are and input every alcohol that you will sell, but it's a one-shot deal and the people at Scannabar helped us with the set up and were always there whenever I had any questions," Byrd said.

Church Street had a vision of what they wanted to accomplish through the use of a new inventory system. The Scannabar system helped them attain their goals of reducing beverage costs and making their inventory process more efficient.

With a reduction in beverage costs of 7% based on yearly revenues of

\$5 million dollars, Scannabar has helped Church Street save approximately \$350,000 a year. Productivity has also increased due to the reduced number of hours spent on inventory. Church Street now spends one hour and a half every week on the process, saving the company 78 hours in labour cost over the year.

"In the owners eyes, the Scannabar system has definitely surpassed expectations," says Byrd.

## About Scannabar

Scannabar 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 in the U.S., Canada, and abroad.

Scannabar's clients range from family-owned, neighborhood bars and restaurants with modest annual sales to large multinational resort companies with sales in the millions. Scannabar systems have been successfully implemented in properties operating under the banners of: Ritz Carlton, Sheraton Hotels, Westin Hotels, Delta Hotels and Trump International Resorts, among others.

### scannabar

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