

TEXAS BAR GOES BIG WITH INVENTORY CONTROL

Sculpture Hospitality, a pioneer in the inventory control business, has helped thousands of bars and restaurants across the globe over the past 30 years. They see that problems with loss and lower efficiencies plague the industry. Without accurate data, it's impossible to find the cause of lower efficiency, so their teams conduct a series of Discovery Audits with new clients where they are able to garner an exact snapshot of how a bar is performing—down to the drop!

That data and guidance is proving to be quite valuable to bars. Dallas, Texas Sculpture Hospitality franchisee, Tim Huels, notes that his business is up 40% over last year with most of that growth coming from existing clients opening new locations as well as referrals from clients who have had Sculpture Hospitality's systems not only improve their margins, but also their quality of life.

Huels says his ideal client is someone looking to expand but that needs a better system to monitor performance and set a higher standard. Charles Houk, Owner of Southern Junction Nightclub & Steakhouse, is one of those clients.

Southern Junction Nightclub & Steakhouse opened in Royse City, Texas in 1985, and Houk bought the business in 2008. The country/western venue has a love for everything Texas—big venue, big meal, big dance floor, and big names, including Garth Brooks, Merle Haggard, and Charlie Daniels!

When Houk took over Southern Junction, he came from the world of banking with no back-of-the-house experience. "I knew inventory was important, but it took me a full eight-hour day to count, and I wasn't even sure if I was doing it right," he says. "I was counting everything in-house and trying hard to compare it to sales, but it was all guesswork. It may have been close on bottled beer and wine, but it was far from exact. Liquor was a total mystery. I had no idea how to account for specials, doubles, and recipes."

Enter Sculpture Hospitality's Bevinco bar inventory service. Houk had seen the product in action on the TV show *Bar Rescue* but didn't realize he could have a local Franchisee meet him at his bar and get the data he's always wanted in less than two weeks.

Today, Houk uses Bevinco for loss prevention, inventory management,

ordering, training, and advice.

Loss prevention. "Just the fact that alcohol is counted weekly and reconciled with sales reports is huge in keeping bar staff on point," says Houk. "The continuous feedback helps us remind them that we are watching closely. The one thing I didn't expect is the pride that bartenders take in keeping the variances low, efficiency high, and that they police themselves to keep it that way."

Houk says the reports also convinced him to fire a bartender he believed was stealing. "I suspected him of stealing but couldn't figure out what he was doing. But the reports convinced me, and I let him go," says Houk. "Firing a guy who was stealing, combined with the ripple effect among other employees who suddenly realized we were serious, had

a huge positive effect on the business."

Inventory Control. When Houk first started using Bevinco, he quickly realized that he kept too much product in-house. "Reducing inventory to what we actually use in a week does two things: keeps cash in the bank and also provides less opportunities for bottles to grow legs," he says.

Ordering. "Ordering now takes ten minutes when using the iPar report order guide instead of an hour," says Houk.

Training. Southern Junction's team uses weekly awareness to improve training systems that enhance their guest experience. "Training is made easier because we all now know the exact standards that are being measured," says Houk.

Advice. "I regularly call Tim and ask how I should read this or that number, whether it makes sense to implement a procedure, or if things just aren't making sense with the reports," says Houk. "We can almost always figure out what direction we need to go in these areas, and his advice is always welcome."

With Bevinco, Southern Junction's liquor cost reduced by over four points, and they reduced their amount of inventory on hand by 27%.

During the discovery audit, Southern Junction was losing \$1,040 at cost. If just half of the venue's losses were calculated at cost, he'd increase his revenue by over \$3,300 per week, which equals \$171,600 per year!

The increased efficiency from using Bevinco helped enable Southern Junction to open an even bigger second location in Irving, Texas.

"When I heard about Charles' experience with Bevinco in Dallas, I wasn't surprised in the least that they were able to open a second location simply because they were using the Bevinco service," says Jon Taffer, Host of *Bar Rescue*. "Anyone serving alcohol needs to have these controls in place for their liquor, wine, and beer—so stop with the excuses and call Bevinco."

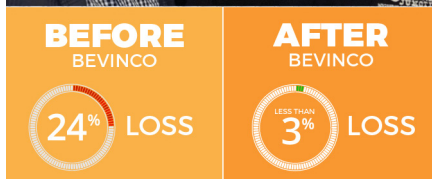
When opening the second location, Houk's first phone call was to Huels. "He helped with opening inventory, training, and getting started out on the right foot," says Houk. "That helped set the culture on the front-end instead of having to correct it over time."



Anyone serving alcohol needs to have these controls in place for their liquor, wine, and beer to be successful.



—Jon Taffer



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