

CASE STUDY: ODAWA CASINO RESORT Establishing Control & Automation within the F&B Department



Background

Owned and operated by the Little Traverse Bay Bands of Odawa Indians in Petoskey Michigan, the beautiful Odawa Casino Resort opened its doors after completing its renovation in June 2007. Originally known as Victories Casino, which was constructed out of a former bowling alley, this gaming establishment was given a complete overhaul - nearly doubling the gaming floor and introducing a variety of dining facilities for their casino and hotel

guests. With over 50,000 square feet of gaming space, the Ovation Hall concert venue, a 137 room resort and the O Zone nightclub, Odawa Casino Resort is truly a top northern Michigan destination.

The Catalyst: The Need for Control

With renovations underway and the new casino scheduled to open in June, Odawa's management team decided it was time for a change. They could no longer continue operating without the proper food and beverage controls in place as they had done before. Everything within the purchasing and food and beverage departments was done manually on paper forms. According to Patti McKelvey, Inventory Control Coordinator at Odawa Casino Resort, "Literally anybody was allowed to place an order. The receiving department had no idea what was coming in until the day it arrived because everyone was allowed to order anything they

needed." Since there were no controls in place for anything related to F&B, the renovations prompted management to start thinking about how operations could run more efficiently. "When we opened up the new property, we decided that things just had to be different," says McKelvey. That's when the search for an inventory and procurement system began. In late 2006, Odawa's CFO and Purchasing Manager started looking into systems that would integrate with both their Great Plains accounting and Micros 9700 Point of Sale system. They were focused on finding a software solution that was geared towards warehousing, receiving, bar coding and procurement.



The Solution: The FOOD-TRAK System for Effective Inventory & Purchasing Control

After reading various articles written by Bill Schwartz, CEO of System Concepts, Inc. (SCI), relating to tighter controls within casino environments and evaluating the functionality of several other inventory control systems, Odawa Casino selected SCI's FOOD-TRAK® Food & Beverage Management System in May 2007. FOOD-TRAK was better suited to handle Odawa's food and beverage needs and was able to provide a full turnkey approach to implementation, which made it the obvious front runner. With the help of SCI, Odawa Casino Resort implemented the software within 90 days and was immediately able to establish strong inventory, purchasing and receiving processes to replace their manual procedures.

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Patti McKelvey
Inventory Control Coordinator

The Plan: Improve Procedures and Control Inventory

Odawa decided to go with a centralized, browser-based deployment of the FOOD-TRAK software, making the program easily accessible to 20 concurrent users in the purchasing, shipping, receiving, accounting, housekeeping and food and beverage departments. The first priority while implementing this system was to focus on establishing new procedures for end of month inventory counts, purchasing, invoice reconciliation and transfers and requisitions. Since these tasks were previously completed by hand on paper forms, it was a transition, but the rewards were significant. With SCI's implementation and training specialists on-site, FOOD-TRAK inventory template forms were created along with requisition templates for the warehouse and outlets. The FOOD-TRAK Mobile Partners were set up in the warehouse and Odawa began barcoding their liquor items in order to take their first handheld inventory later that month using the new scanners.

The Results: Substantial Labor and Food Cost Savings

With the new procedures in place, the Odawa staff no longer required eight people to count inventory at the end of month. The process previously took a total of 18 hours and cost about \$1,440 in labor every month. With the FOOD-TRAK system implemented and barcoding fully established, it only took two staff members a total of three hours to complete a full inventory at the end of month. This brought Odawa's labor costs down to just \$84 - more than a 94% reduction in labor costs! That was just the beginning, "We've also seen a significant reduction in waste. We used to waste anywhere from \$500-\$1,000 per month. By entering our waste into FOOD-TRAK and running reports such as the Aged Stock Listing report, our waste is never more than \$100 per month now," states McKelvey. Odawa's warehouse controls are now so tight that no items go in or out without the proper FOOD-TRAK form. At the end of each month, McKelvey analyzes the inventory level variance of the warehouse and is proud to report 12 consecutive months of less than a 1% variance. According to McKelvey, "this past month was 0.49%. It looks like we're doing something right!"

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Overall, Odawa has been able to lower inventory levels by 40% since the introduction of the FOOD-TRAK system. The former transfer and requisition process was quite tedious, so once the new approach was introduced and established, they immediately began to notice additional labor savings since no longer keying everything in manually. "All of our transfers are completed and the goods are sent out of the warehouse to their respective outlets during the first two hours of the business day now. This process allows the staff in the warehouse to focus on the rest of their duties for the remainder of the day, rather than running food back and forth all day long like they used to do," states McKelvey.

The SCI Advantage: Customized Implementation and Training

Odawa understands that ongoing training and education is critical to their continued success with FOOD-TRAK. According to McKelvey, "Without the training that we've received, we would have never been able to move forward and get as much use out of the system as we do now. I'm always learning something new that could really benefit us." When asked what advice she would share with other FOOD-TRAK users, McKelvey says, "It's important that everyone on your staff is on the exact same page from the beginning. You need to have someone that knows the system inside and out." SCI created a customized implementation plan for Odawa Casino, which clearly identified all of their goals, along with a step by step plan for accomplishing these objectives through on-site training and implementation.



About Odawa Casino Resort

Odawa Casino Resort is an entertainment destination like no other. Voted best casino in 2009 by Michigan Meetings & Events Magazine, the setting is casually elegant and the gaming is exceptional with nearly 1,500 slots, dozens of table games and a poker room. Guests can enjoy gourmet restaurants and experience the best that Michigan nightlife has to offer. Odawa Casino Resort is located just minutes from the classic Northern Michigan resort town of Petoskey. For more information, visit www.odawacasino.com.

About System Concepts, Inc.

System Concepts, Inc. (SCI) offers a wide range of services to assist clients control food and beverage costs. Developer of the FOOD-TRAK® System, SCI is one of the world's leading specialists in the field of food and beverage cost control and management. Since its founding in 1980, more than 10,000 clients worldwide have turned to SCI for consulting services, software automation solutions, system implementation and support. SCI is headquartered in Scottsdale, Arizona. For more information, visit www.foodtrak.com.

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