

CASE STUDY: CASINO DEL SOL

Saving Time and Money Automating the Purchasing Cycle



Background

What began in 1989 as The Arizona Club, re-emerged in 1995 as Casino Del Sol and later its sister location Casino of the Sun. Located Tucson, Arizona, these casinos are proudly owned and operated by the Pascua Yaqui Tribe. Casino Del Sol is the largest casino in Arizona, covering more than 210,000 square feet. With its exquisite Mediterranean architecture, state of the art AVA

Amphitheater and unique array of dining experiences, this is truly the ultimate casino destination in southern Arizona. The casinos offer something for every palate from all-American cuisine, Mexican, Continental, to eclectic Southwest and fine Italian dining. Jeremy Quinones, Food & Beverage Buyer for Casino Del Sol plays an integral role in the purchasing department, ensuring that every dining outlet has the freshest, highest quality food available for their guests.

The Catalyst: Controlling Food Costs

In 2003, the management team at Casino Del Sol realized that food costs were far too high, exceeding 70% in some cases. They were losing money rapidly and felt it was imperative that they regain control over the food and beverage department. Their buffet, located at Casino of the Sun, was an obvious sore spot. Buffets are known for contributing towards higher food costs, but have become a staple in the casino industry.

Gamers are looking for three things when it comes to dining – varied menu, the ability to control their own time and unlimited portions. Unfortunately, these requirements can only be accomplished through a buffet. In addition to the buffet at their sister property, Casino Del Sol felt it was necessary to take a closer look at all of their outlets at both properties and find a system that would reduce food costs, cut down on manual labor and streamline many of their ordering procedures. When their point of sale representative introduced them to the FOOD-TRAK system, they realized that all of these goals were attainable.

The Solution: Automation and Accountability

After careful consideration, Casino Del Sol selected the FOOD-TRAK® Food & Beverage Management System and purchased the software in October 2003. FOOD-TRAK met all of their needs and would provide the casino with a strong inventory and purchasing solution. They were mostly concerned with accountability and obtaining real numbers that would help to justify food costs, purchases and inventory levels.

According to Quinones, “Before FOOD-TRAK we had no information to rely on that would explain what was going on with our numbers.” Previously, the purchasing department used paper based forms and would verbally call in or fax their orders to the vendors. All of that paperwork would then get handed over to administration and accounting for reconciliation. Quite frequently there were serious discrepancies between inventory numbers, orders and invoices. With FOOD-TRAK, Casino Del Sol was able eliminate this manual labor, as all of these processes were automatically handled through the system. They have now established strong purchasing, receiving and inventory procedures and have saved over 12 hours a week in the purchasing department alone.

“What you put into FOOD-TRAK is what you get out of it. The numbers don’t lie.”

*-Jeremy Quinones
Purchasing Agent*

The Plan: Establish Purchasing and Inventory Procedures

Casino Del Sol initially chose a distributed deployment of the software to a handful of users in the casino. Over the years they began expanding their usage of the system and incorporating more users, thus migrating to a centralized installation through Microsoft’s Terminal Services. The FOOD-TRAK system is now easily accessible to those staff members in purchasing, accounting and food and beverage departments, with over 20 concurrent users.



Ruben Molina, IT administrator for Casino Del Sol, maintains the FOOD-TRAK system by handling all updates and changes that made throughout the year. “Updates are very easy to apply and support department at SCI is always extremely helpful throughout this process. We have been extremely successful with the centralized deployment and will continue to grow,” says Molina.

Their first priority in implementing the system was to focus on establishing new procedures for inventory and purchasing. Casino

Del Sol began utilizing FOOD-TRAK’s inventory templates and purchase order forms to create a standardized approach to handling these procedures and threw out the Excel spreadsheets they had been using. By formalizing these practices they were able to improve the efficiency of taking inventory and ordering. “What used to take approximately 5 hours to complete a full inventory in the warehouse now only takes 2,” claims Quinones. Entering purchase orders in FOOD-TRAK made it possible to have all of their information consolidated and easily accessible to the various departments.

The Results: Significant Time and Financial Savings

With the new purchasing procedures in place, Quinones began utilizing FOOD-TRAK’s vendor interfaces for his major distributors. He no longer spent 3 hours a week entering vendor price changes or 9 hours a week completing his orders. FOOD-TRAK was able to import vendor bids and catalogues instantly and also allowed Quinones to competitively bid between his 3 major vendors for the best price. “I began to notice immediately that two of my vendors had consistently lower prices than our third vendor for identical items,” states Quinones. Eventually, they obtained contract pricing through one particular vendor and no longer needed to competitively bid since 90% of their orders went through contract.

Quinones also created purchase orders to electronically submit to his vendors, and then imported those vendor invoices into FOOD-TRAK. “Importing invoices takes less than 10 minutes now!” he exclaims. With over \$80,000 a month in purchases, Quinones orders 3 times a week, making it imperative that he automate as much of this process as possible. Quinones reviews a variety of reports, including the Purchase Recap, Cost of Goods and Transfer Activity report with the Vice President of Finance in order to see where they stand in comparison to previous months. By reviewing these calculations and verifying with their Micros point of sale system, they have a stronger understanding of their food usage and are more consistent in their spending.

Before Quinones took over as the F&B buyer for both casinos, a beverage manager placed all the liquor orders. After noticing a substantial discrepancy on Don Julio Real tequila in his inventory report, Quinones pulled up all previous FOOD-TRAK invoices from the liquor distributor in order to locate the purchases. “The beverage manager was ordering one case per week of Don Julio Real. These bottles cost a little over \$200 each and retail for close to \$300 in the liquor stores,” states Quinones. Knowing that it would be difficult to go through that much premium tequila in such a short period of time, Quinones went to the liquor room to check the inventory and found not a single case of the Don Julio Real. He then checked behind each bar in the casino and still came up empty. According to Quinones, “The beverage manager had been ordering the tequila for himself and taking a bottle home every few days for the past 5 months. I found several bottles sitting in their original case in his office.” Having gone unnoticed on their surveillance cameras, Quinones would not have been able to pinpoint the problem without having accurate FOOD-TRAK reports. Thanks to his easily accessible invoices in the system, he could quickly search for purchases that included the Don Julio Real tequila. If Quinones hadn’t caught this, the manager could have continued to cost the casino over \$4,800 every month.

The Future: Ongoing Training and System Expansion

The team at SCI was involved with both in-house and on-site training at Casino Del Sol, helping to address specific concerns while on-site in an effort to eliminate even more manual processes that still existed. “SCI helped shed light on the little things that we were doing wrong. For instance, the trainer pointed out that if we were to simply select the appropriate profit center as we entered each invoice, then the proper GL account would match.

They also made us aware of the value in running the Perpetual Inventory Engine to update our information and provide us with true, on-hand values for inventory,” states Quinones. The staff at Casino Del Sol has also attended SCI’s training seminar throughout the past several years in order to fine tune their skills and utilize more of the system upon their return. According to Quinones, “It’s amazing how important the basic fundamentals are in FOOD-TRAK. When my other purchasing agent returned from the seminar, he was able to point out several things that we could do differently to save even more time throughout the day.” Quinones plans to expand their FOOD-TRAK usage by interfacing with their Micros 9700 point of sale system, introducing the FOOD-TRAK Mobile Partner handheld devices in the warehouse for taking inventory and exploring how the system can be utilized at their future hotel, which will be an addition to Casino Del Sol.

About Casino Del Sol

Open 24 hours a day, Casino Del Sol is the most unique gaming complex in Arizona with its stunning and remarkable architecture resembling that of the Mediterranean. Laying claim to the largest gaming floor in the state, Casino Del Sol features nearly 1,000 state-of-the-art slot machines, 34 Vegas-style blackjack tables, 13 poker tables and a bingo hall accommodating more than 600 players. Casino Del Sol has something for anyone seeking an amazing entertainment experience. For more information, please visit www.casinodelsol.com.

About System Concepts, Inc.

System Concepts, Inc. (SCI) is the developer of the FOOD-TRAK® System and is one of the world's first companies to specialize in the field of food and beverage management automation. The Company provides software and consulting services designed to help all types and sizes of food service operations maximize food and beverage profits. SCI utilizes a project approach, incorporating a diverse set of documented steps and procedures customized for each client to help ensure success. Headquartered in Scottsdale Arizona, the company has more than 10,000 clients in over 18 countries. For more information, visit www.foodtrak.com.

FOOD-TRAK is a registered trademark and a registered service mark of System Concepts, Inc.

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