

## CASE STUDY: OCEAN REEF CLUB

### Controlling Food Costs Through Improved Inventory



#### Background

Ocean Reef Club is an exclusive, 5,000-acre, private owner-member club community located on the northern tip of Key Largo. The Club is the choice of discerning travelers with thirteen restaurants and lounges that provide unparalleled dining experiences. The Club's two 18-hole championship golf courses were designed in 1969 and offer distinctly different tests of golf to challenge players of all levels. In addition, Ocean Reef's catering services accommodate up to 750 people for meetings, banquets or private affairs held in its 30,000 sf. flexible function space.

#### The Catalyst: Inefficiencies, Costs & Inventory Shrinkage

Ocean Reef Club's food and beverage operations consist of thirteen food and beverage outlets which are spread across the vast property. A central commissary, responsible for purchasing and receiving, supports these outlets. John McKeel is the Food & Beverage Cost Controller for Ocean Reef Club. He has been with the Club since 2004 and is responsible for improving and controlling food and beverage costs and operations. "Prior to using the FOOD-TRAK® System by System Concepts, Inc. (SCI), the food & beverage operation was an organizational mess," per McKeel. "It consisted of manual processes that caused significant inefficiencies; high food costs - especially with meat - and unexplained inventory shrinkage. We did not have a means to maintain staff accountability with regard to food and beverage costs either."

#### Approach: Use FOOD-TRAK for Inventory and Purchasing

With his past success in controlling costs without affecting the customer's experience, Mr. McKeel led the effort to implement their FOOD-TRAK System. He continues, "With the majority of our challenges and cost issues related to inventory, it was best to begin utilizing FOOD-TRAK in that area of our operations. With the ability to track inventory, we effectively eliminated the issues we were having with inaccuracies, high food costs and theft. Since we have been using the FOOD-TRAK System, our perpetual inventory in the commissary has been more accurate than ever before."

#### Key Feature: Implementing FOOD-TRAK Mobile Partners

Ocean Reef Club recently purchased and installed three FOOD-TRAK Mobile Partner (FMP) hand-held scanners and implemented their purchasing procedures with FOOD-TRAK. According to McKeel, "My argument for the FMPs was based on the accuracy they would give us in our receiving and requisition areas. We have many products with very similar labels. With the Club's manual processes, they are constantly confused or written down incorrectly. The ability to scan these products into the FOOD-TRAK System eliminates any potential error."

#### Classroom Training: Learning FOOD-TRAK Fundamentals

The 4-day Database Construction Management (DCM) class helps attendees learn the fundamentals of the FOOD-TRAK System. McKeel goes on, "It was the DCM class that got me motivated to properly implement the system in our environment, so we could realize its cost saving benefits. The information that I obtained on the core features, functionality and implementation of the system was extremely useful and allowed me to share it with my organization. Using the FOOD-TRAK variance reports, we have reduced unknown variances and have kept our monthly variances within 1% of our hard purchase costs. Our senior management is quite happy with our progress."

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*-John McKeel*

*Food & Beverage Controller, Ocean Reef Club*



### Professional Services: On-Site Consulting has a Significant Impact

Ocean Reef Club took advantage of SCI's on-site professional services in conjunction with their FMP purchase. An implementation specialist from SCI spent three days at Ocean Reef for implementation support and usage consultation. McKeel was pleased with the results of the visit. "I wish that all of my vendors did as good a job on-site as SCI. To have the undivided attention of someone as professional and knowledgeable as our SCI specialist for three full days was invaluable. He did a very nice job for us."

### Technical Perspective: Meets IT Demands & Reduces Hardware Costs

Jonathan Brinkman is the Club's Executive Director of Information Technology. He has been with Ocean Reef since 2003 and is responsible for the Club's technology-based systems. "Having a system with an open source database is not only important, but a requirement for us," says Brinkman. "Many vendors try to maintain

control of their systems. We are pleased with the fact that FOOD-TRAK has been designed to provide our IT manager with access and control of our own database. In addition, because FOOD-TRAK works so well with Citrix® software in a thin client environment, it has reduced our hardware costs, and we have saved internal support costs because we only need to update our servers with FOOD-TRAK."

### The Future: Implement Interfaces and Extend Usage Analysis to Outlets

According to McKeel, "There is a lot more that we can take advantage of with our FOOD-TRAK System. Implementing vendor and A/P interfaces are priorities for the off season. In addition, we want to develop our procedures for analyzing usage and extend it to the outlets. There is also the potential of linking FOOD-TRAK with our POS system and other internal processes. Overall, FOOD-TRAK is a great program that has benefited us immensely. We are pleased to continue supporting SCI in appreciation of the products they have created."

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*-Jonathan Brinkman*

*Executive Director of Information Technology, Ocean Reef Club*

### About Ocean Reef Club

Located 50 miles south of Miami International Airport, Ocean Reef Club was founded in 1948. It became member-owned in 1993 and today is widely recognized as one of the premier private club-communities in the United States. Its facilities include more than 300 lodging units, anchored by a 142-room oceanfront inn, a 175-slip marina, two 18-hole golf courses, more than a dozen restaurants and lounges, a private airport, lawn and tennis center, private beach, two fitness centers, a day spa, shopping emporium and more. For more information, visit [www.oceanreef.com](http://www.oceanreef.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. Since its inception in 1980, the company has been providing 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](http://www.foodtrak.com).

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