TWIN PEAKS IMPLEMENTS PREDICTIVE ORDERING TO SAVE MILLIONS

Predictive Ordering Production Prep Sheet Mobile Application Tools

This paper discusses how to positively impact product quality, decrease usage and waste, create operational consistency, while reducing labor costs and time. If you are like most restaurateurs, you have had the following thoughts:

> **"I need to improve product quality."**
>
> **"How do I continue to improve operational consistency in the units outside my immediate view?"**
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> **"How do I continue to decease waste and increase profits?"**
>
> **"How do I maintain quality, let alone improve it without spending more labor dollars?"**

If you have thought about any of these, read on to learn more about Decision Logic's new features.

ABOUT DECISION LOGIC

Decision Logic is a software suite that provides cloud based solutions to provide actionable insight and business intelligence through predictive analytics and improving processes. The core product implementation focuses on Sales Reporting, Supply Chain, Variance and Labor Management.

OPPORTUNITY

Avalanche Food Group (AFG) is a Houston based franchisee for Twin Peaks, one of the fastest growing sports bar concepts in the U.S. who prides themselves on made-from-scratch comfort food and their large selection of draft beers. Twin Peaks has implemented the Decision Logic solution in all 65 locations.

While evaluating opportunities to increase profitability, product quality and operational consistency, AFG engaged Decision Logic to consult on industry operational best practices. The VP of Operations for AFG, Buddy Deese, has been an ongoing supporter of Decision Logic, consulting with several other clients using Decision Logic as part of their total restaurant solution.

With a comprehensive understanding of AFG's needs and goals, Decision Logic recommended AFG implement expanded capabilities of our platform. The added capabilities of Predictive Ordering, Production Prep Sheet and Mobile Application Tools, empower the end user by providing real time data to drive informed decisions, and improve processes by reducing time spent on "clip board functions". Decision Logic's added capabilities provide customers the quantifiable benefit of time savings, improved process, and cost of goods savings. On average customers leveraging our new technology have reduced process times by half and decreased waste and purchases, saving thousands of dollars per month. AFG experienced this as shown below.

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SOLUTIONS:

PREDICTIVE ORDERING

Decision Logic's Predictive Ordering feature provides suggested order quantities to managers by analyzing your prior sales and usage data. There are several prediction methods considered when calculating the suggested order quantities:

- **ACTUAL USAGE**
- **IDEAL USAGE**
- **TOTAL SALES**
- **BAR SALES**
- **FOOD SALES**
- **REMINDERS**

These methods are applied to each ingredient so you are not tied to one method per distributor. Once deployed, managers are provided with suggested quantities when they place an electronic order through Decision Logic. Our analysis automatically takes into consideration any anomalies that have been detected in the prior Sales and Usage data. The manager can also make adjustments to the suggested order based on known variables not accounted for in the past, for example a new event this week. The Predictive Ordering feature significantly reduces the amount of time it takes to place an order and optimizes the quality of decision making around the order. The result is the correct amount of food on your shelves, therefore freeing up cash flow and decreasing waste.

Since implementation, Twin Peaks stores are ordering on average $2,000 less on food per month, with increased sales of $5,000-10,000. Talk about right sized inventory!

PRODUCTION PREP SHEET

Decision Logic's Production Prep Sheet automates the preparation process by utilizing historical data in combination with floors and ceilings to predict the daily preparation required. This tool uses algorithms similar to the Predictive Ordering and has full Mobile functionality as well. Production Prep Sheet helps clients ensure the correct quantities are being prepared, thus reducing waste and maximizing shelf life. AFG was challenged by a few high variance items due to waste of produce ingredients that spoil quickly. Most were not individually high-cost items, but combined over time represented a significant cost to the company. Utilizing the Production Prep Sheet capability in Decision Logic, AFG was able to have the greatest impact on product consistency and reduced labor costs. Additionally, the quality of fresh produce

> **"Commit to (Decision Logic's Predictive Ordering) and challenge managers to prove it if they think it is wrong. Many factors to setting pars can be subjective. The managers wanted to change the recommendations based on gut feeling. We were able to prove time and again that the recommendations were NOT wrong. Data now drives decision making. Everyone is a believer now."**
>
> *Buddy Deese VP of Operations, Avalanche Food Group*

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in their made-from-scratch recipes has increased while overall produce waste due to spoilage has decreased by over $1000 per month per store.

Using Decision Logic's Prep Extensions, AFG began training all staff by illustrating properly measured portion sizes of each item (e.g. fries, nachos). They are now saving time

> "This has had a huge impact on our product quality. Everything is MUCH fresher, and we took this opportunity to reexamine how/when we prep. Our fresh produce products look way better."
>
> *Buddy Deese VP of Operations, Avalanche Food Group*

on the products with a multi-day shelf life, maximizing those dates without sacrificing quality, and prepping spoilage-sensitive products daily. The Production Prep Sheet feature allows them to work smarter, not harder.

Case study example: The AFG team was preparing 25 cases of tomatoes per store, per week, for all of the recipes that use fresh tomatoes. The core functionality of Decision Logic was showing they had a large tomato waste. Utilizing Production Prep Sheet, they were alerted to the proper amount of preparation to minimize waste. The features work together to showed AFG operational improvements that were needed. In addition, AFG began to investigate operationally and found that recipes were not being followed. Visually, 6 tablespoons of diced tomatoes did not appear to be much different than 2

tablespoons on a plate of nachos. They are now prepping 40% less of the tomatoes per week and dropping those savings to the bottom line.

MOBILE APPLICATION TOOLS

Decision Logic's Mobile Application Tools allow managers to get out of their office and capture the data from where it is harvested. This minimizes the paper-based, hand key processing most restaurants are familiar with as counts can be input directly into a hand held device. The Decision Logic Mobile Application Tools can be used on a tablet or smartphone. When Wi-Fi is not available, it saves counts directly on the device and Intelli-syncs with the Decision Logic cloud when reconnected to an available network. As an example, having the information saved to the device means you can continue your inventory in the freezer and back corners of dry storage without a back of house Wi-Fi connection, which can be a hefty investment. Additionally, using the Decision Logic best practice of organizing inventory items to a "sheet to shelf" configuration, allows for ease of use to follow the entry screen for faster data input.

AFG was able to realign their inventory to Sunday night as "inventory preparation", ensuring everything is in the proper place thanks to the time savings they have found with the mobile app. This change really helped to focus operations on proper, consistent execution and now everyone has a sense of pride and ownership to have things set up properly. Instead of starting inventory late at night and staying to the early morning hours, the team is able to come in at 6 a.m., complete inventory and begin their day.

The dynamic combination of Predictive Ordering and the Mobile Application functionality resulted in faster, more accurate orders. Prior to implementation, the average

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order for an experienced manager took 45-55 minutes, and over 90 minutes for a new, less seasoned manager. After fully implementing Predictive Ordering, a large truck order now takes 20-30 minutes regardless of manager experience. Managers now have the information they need to make better ordering decisions and the task can be shared with any trained manager in the store.

In total, the mobile applications have allowed inventory and ordering times to be cut down as low as a third of the time it took previously. Decision Logic Mobile Application Tools allow the managers increased efficiency by allowing the data to be harvested directly from the inventory locations into the hand held device. This gets managers finished with their "clip board tasks" and back to taking care of their core responsibility -- overall guest satisfaction

In the case of AFG, the trifecta of Predictive Ordering, Mobile Application Tools and Production Prep Sheet is a time savings of 3 hours per week placing orders (based on

kitchen manager making and average wage of $45k and working 50 hour weeks) + $2000 more cash flow + $1000 less waste * 5 locations in just 2 months = $35,000 .

"If I were selling Decision Logic, I wouldn't roll any customer out without a commitment to Predictive Ordering and Production Prep Sheet. It has cleaned up our Theoretical vs. Actual, recipes etc. In combination with Mobile Application Tools, it has saved so much time, increased pride and we have complete buy in from our managers,"

Buddy Deese VP of Operations, Avalanche Food Group

Decision Logic's base platform helps improve operation processes. With the increased features Decision Logic has proven success in helping businesses improve operational consistency, decrease waste, and increase quality, all while saving time and money. Call us for implementation. We will do the same for you.

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