ISENBERG UNDERGRADUATE CONSULTING GROUP
COLLABORATE. SOLVE. ACCELERATE.

A HOLISTIC APPROACH: REVITALIZING INTERNAL OPERATIONS

A large restaurant implemented inventory management processes and standardized employee management practices to improve their inventory analysis capabilities, cut costs, and increase profitability.

Client's Challenge — Address issues with inventory management and reduce waste

- Uncertainty about inventory levels and waste made it difficult to determine profitability and potential for growth
- Complexity of preexisting inventory management process prevented the owner from understanding key information and metrics
- Unclear delineation of responsibilities lead to cost-creating rework, wasted time, and internal disagreement

IUCG's Solution — Improve process efficiency, accuracy, and profitability by:

- Creation of a new and flexible bar inventory management system that includes goal setting and tracking
- Develop new data visualization methods for inventory management processes to enable all employees to easily track profitability and surpass revenue goals
- Standardize employee responsibilities to eliminate internal confusion

Business Impact — Recognize a streamlined inventory process that provides consistency for all employees and management

- The restaurant should realize tangible improvements to their bottom line through the reduction of inventory waste
- Clearly delineated responsibilities should enable internal operation to run more smoothly
- Definition of goals for categorical profitability and the ability to track progress will further involve employees in their success

> *"Working on this project was particularly exciting because it was on a larger scale than previous IUCG endeavors. It was a resounding success; every member of the team played a critical part in effectively meeting our client's needs at minimal cost. The skills and experience we gained from this project will be invaluable as we move onto future endeavors."*
>   -   *Project Manager*

Client's Challenge:

IUCG worked with a local restaurant that recently relocated. The new location posed challenges, as it was a bigger space and required adjustments to their previous layout. The client had experienced success in their new location, but identified areas in which they could improve.

Inventory management systems for both food and liquor were insufficient to effectively track waste costs and profitability. Unspecified positional responsibilities led to internal confusion, which created costs associated with wasted time and reworked processes.

IUCG's Solution:

After conducting interviews with the staff, the team created employee handbooks for every position in the restaurant. The handbooks clearly assigned a set of responsibilities to each position and described the process for each of their responsibilities. IUCG also created opening and closing procedure checklists to be posted in the kitchen area so the staff can make sure that all necessary tasks are carried out on a daily basis.

The second tier of the team's solution focused on improving the food inventory management system. The team eventually determining that the best route was to purchase an upgrade module in the client's preexisting point of sale system. IUCG corresponded with the vendor and informed the client of the necessary steps for a successful implementation.

The third tier of the team's recommendation involved an overhaul of the client's liquor inventory management system. Using Microsoft Excel, liquors were separated by category, allowing the client to analyze categorical revenue and profitability. IUCG created new ways to visualize liquor revenue and profitability data, which will allow everyone in the restaurant to track their goals.

Impact on client's business:

The true impact will be ascertainable once management analyzes the fiscal impact IUCG's changes had on the client's bottom line. Management will have to continue to improve the new processes on a regular basis in order to maximize the potential of their new capabilities.

The inventory management systems should reduce overall waste and improve the reordering process from vendors. The systems also provide insight into what menu items are most profitable and what products should be discontinued.

New data visualization capabilities allowed all employees to understand and track progress towards high-level profitability goals. Standardized employee handbooks aim to make internal operations run more smoothly and eliminate confusion amongst employees about who is responsible for various inventory-related tasks.