



Taste Buds Raises the Bar for Restaurant Acquisition Efficiency with Compeat

There is restaurant-acquisition efficiency — and then there is Taste Buds-style restaurant-acquisition efficiency. In fact, it would be tough to find another full-service restaurant acquisition that was more streamlined and cost efficient than the Louisiana-based Taste Bud's purchase of the five-restaurant Semolina concept in December 2006.

Challenge

Taste Buds, which has managed six Zea restaurants since 1997, not only absorbed the five new restaurants without adding additional administrative costs, but also eliminated a six-figure accounting firm used by Semolina. What's more, Taste Buds rapidly deployed the Compeat Advantage back office management and accounting software system in the new restaurants, and trained the new managers to use the application's functionality in record time.

A large share of the credit for its efficient acquisition of five restaurants goes to Taste Buds' Compeat software application — Compeat Advantage — according to the management team, including COO Chris Rodrigue, Director of Operations Scott Johnson, and VP of Operations Paul Hutson, each with over 20 years of restaurant industry experience. "Thanks to Compeat we're extremely efficient at running our restaurants at the corporate level, so we're able to do more work at a lower cost," says Rodrigue.

Solution

Taste Buds deployed Compeat in 2002, and expanded its use in 2005 under the direction of its new COO. "Since then we've enjoyed phenomenal results from the software in terms of reducing food costs, improving reporting, and increasing profits," says Rodrigue. "In fact, we've recouped our investment in a very short time."

By the time of the Semolina acquisition, Taste Buds was using Compeat for everything from placing food orders, to managing profit and loss statements, to writing vendor checks. "We realized that it would be easy to absorb the accounting functions of our new restaurants without adding additional accounting staff, because Compeat so completely automates every step of our accounting and back office processes," explains Johnson. "The software's power and efficiency has allowed us to double our locations without adding a single person to our administrative team," notes Hutson. "That's a remarkable feat in this industry."

COMPANY OVERVIEW

Founded in 1990 by three chefs, who opened the first Zea restaurant in 1997. Eleven Restaurants, including 6 Zea and 5 Semolina restaurants in New Orleans and Lafayette, Louisiana, and Mobile, Alabama. \$25 million in annual revenues. Accounting team consists of 5 full-time and 1 part-time staff.

BUSINESS SITUATION

The business faced many challenges: lack of control over rising food inventory costs, increasing administrative costs, time-consuming and prone-to-error manual reporting tasks.

KEY RESULTS

Taste Buds lowered food costs by 5%, for a total savings of \$1 million. They streamlined the accounting department, and added new restaurants without expanding the accounting team. They now have access to fast and flexible reporting capabilities that are streamlining food prep labor and inventory management. It's improving kitchen efficiency, reducing admin costs, and perfecting recipe maintenance.

Results

The top three efficiencies gained from Compeat, according to the Taste Buds team, are its full-service functionality, its fast and flexible reporting, and its food cost management tools.

Taste Buds has tapped into Compeat's wide range of accounting and back office software tools for many day-to-day operational tasks, including managing food prep labor and inventory, perfecting recipe maintenance, and compiling profit and loss statements. In fact, it uses only Compeat and one point-of-sale (POS) system to support its entire operation.



"Thanks to Compeat's extensive capabilities, we've greatly simplified our IT operations," says Johnson. "Typically restaurants have a POS, back office software, and three to four additional software tools. Anytime you can eliminate one piece of software, you eliminate all of the headaches of trying to keep them working together."

"I would not want to run a restaurant today without Compeat software."

- Paul Hutson
Vice President of Operations

Compeat is set up to automatically produce all of Taste Buds many reports. "Compeat's reporting functionality is not just faster, but it's also more accurate and flexible than other accounting processes," says Hutson. "For example, it used to take us two months to turn around a complete profit and loss statement each quarter. Now we can create our P&Ls in three days."


Taste Buds has also tapped into Compeat's wide range of eXcellent reporting tools. "It's easy to pull the data I need, export it into spreadsheets, and analyze it any way I want, for example, by total cost or a percent of cost, by individual store or region, or by one menu or one dish," adds Hutson. "No other software system I've used compares to Compeat's flexibility, speed, and power. It's phenomenal." In the first year after expanding its use of Compeat, Taste Buds food costs were down by 5% for a total savings of \$1 million in its five Zea restaurants. "Compeat gets credit for half of that savings," says Hutson. "It has impacted our cost savings in so many ways, including accuracy in product receipt at the back door, reducing prep waste, and managing theoretical costs-to-sales.

"Prep-to-shelf life is one of our favorite Compeat tools," adds Hutson. "It is a revolutionary way to forecast prep in a full-service restaurant. It constantly gives us accurate information so that our product mix is always up-to-date. As a result, we've reduced our food rotation problems, eliminated food waste, and lowered our labor costs. For example, we used to have four people prepping for over 12 hours a day. Now we just have two people prepping for five hours a day.

Going Forward

"Compeat's theoretical cost forecasting and analysis tools give us an almost real-time picture of what our theoretical costs could be," notes Hutson. "So, we can examine any area, from a single dish, to a restaurant, to a region." As Taste Buds moves into the future, it will be looking for new ways to expand its use of Compeat. "Compeat is so central to our organization, that we want to continue to explore all of its capabilities and maximize new areas of functionality, such as purchasing management and bar code scanning," says Johnson.

"Compared to software systems I've used in the past, I would not want to run a restaurant today without Compeat," says Hutson. "The value you receive for the investment is hard to beat. In fact, because of Compeat's power and extensive capabilities, we could acquire even more restaurants and still not expand our accounting staff."

 To learn more about Compeat, please call us at (512) 271-0771 or email info@compeat.com.