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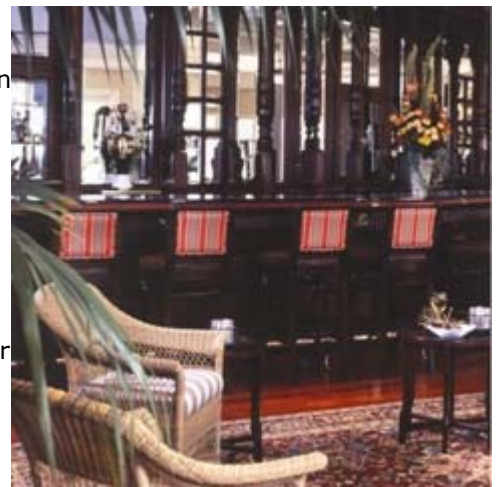
Hotel Del Coronado Hits the Brakes on Liquor Shrinkage with RFID Tool

Steve Schackne, Food and Beverage Director, Hotel Del Coronado

The [Hotel Del Coronado](#) is an impressive resort spread out across dozens of acres of prime beachfront real estate on Coronado Island in San Diego, Calif. A tradition of luxury that dates back more than 100 years, the Hotel Del Coronado offers guests everything they could ever want at "one of the top ten resorts in the world," according to *USA Today*. But in early 2009, along with the rest of the industry, the matter of running a good business brought expense control into primary focus for the Hotel Del Coronado.

An inventory control solution pointed out that there was a continuing liquor shrink problem in Babcock & Story, the hotel's popular, high-volume bar operation. Even with weekly inventories in hand, information was not sufficiently detailed to present to bartenders in a way that changed behavior. Bartenders were either over pouring drinks or giving them away, which are both common ways to pursue larger tips.

Strategic Hotels, the ownership group for the property, was looking to fund projects which had clear and fast ROI characteristics. Success with a liquor control solution from [Capton](#) at their InterContinental Miami property had them looking to support a similar project at the Hotel Del Coronado. Capton's RFID embedded liquor spouts track how much liquor is poured in a drink and then matched the number of pours with the POS to track what bartenders are actually selling. People sometimes refer to it as the "radar gun;" the affect is much like what happens on the highway when a police car is observed in the distance -- everyone "hits the brakes."



Hitting the brakes on over pouring and free drinks in the Babcock & Story venue at the Hotel Del Coronado produced an immediate and sustained 3.6 point drop in liquor costs. The business impact of that improvement paid for the Capton system in 3 months. The key factors that brought about success in this project were:

- The system is designed in a way that requires no operational change from bar staff or management. No one had to learn how to do anything differently.
- The system did not have a negative impact on guest experience. Most liquor control systems look like liquor control systems to the guest, which is not an acceptable image for an upscale resort property.
- The installation approach to the project had the vendor doing almost all of the initial configuration and installation tasks; then training management by working with them on real reports and situations over a 60-day period. The system never became a burden on management.
- The entire Capton solution, including a key interface to the hotel's Micros POS system, worked seamlessly from day one.

From an operations perspective, now managers can quickly talk to bartenders about any liquor inventory discrepancies, such as the bartender who poured eight Jack Daniels yesterday, but only sold six. That type of behavior simply doesn't happen anymore. It's a technology investment that can be made into a property which delivers a fast ROI. Management can now spend the right amount of time resolving issues, having been provided with the right kind of actionable data.

Steve Schackne, the Del's food and beverage director, has been with the hotel for more than 25 years. He started as a waiter, consecutively moving his way up the ladder as restaurant captain, restaurant manager, director of restaurants, assistant food and beverage director, to food and beverage director since 1996.