



THE KEG®
STEAKHOUSE & BAR

- June 1971
- George Tidball
- Paddle board menu
- Cheap drinks

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- Salad Bar
- French Onion Soup
- Sirloin
- New York
- Cheesecake
- First revision was to add a Lobster combo

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- 70's to the mid 80's = lots of growth
- Lots of fun
- Lots of purchases
 - lots of debt
- Lots of trouble

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- 1987 sold to Whitbread PLC
- Their entry in to North America
- More fun for Keggers
 - dark days

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- President of The Keg saw us as a competitor to Pizza Hut
- All things to all people
- Menu diversification

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- Quality
 - sacrificial lamb
- Cost
- Freeze it!
- Reduce the size!
- Make it cheap!

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- And the effect was???
- ▶ Food cost versus Per Keg Average Guest Count
- ▶ Fiscal 92/93 Keg Restaurants Ltd. lost money

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- Strategic renewal
 - ▶ tear it all apart
- Eventual outcome builds around a mission statement
- To be the first choice of men & women who love steak by enabling Keggers and Guests to be themselves
 - ▶ focus on steak

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- For Sale
- 1997 bought by David Aisenstat
 - ▶ Let people do what they are good at
 - *and get out of their way while they do*
- Expand the concept
 - ▶ Franchise small markets
 - ▶ Grow in the U.S.
 - *Dallas, Denver, & Phoenix*

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■ GROWTH CONTINUES

- 4 new Kegs in the G.T.A
- Calgary
- Moncton
- 2 new Kegs in Phoenix
- Naples, Florida

■ BEEF FOCUS CONTINUES

- ▶ 80% of food sales is red meat

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- The Keg's beef purchases last fiscal year totalled over \$40 million in Canada

5,883,000 pounds - Canada

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SUPPLIER INTEGRATION

- Make decisions, resolve conflicts, build teams
- Covering the full sourcing of product, parts, and materials, we explore such areas as:
 - ▶ Ranking and Classification of Suppliers and Parts
 - ▶ Tactical and Strategic Supplier Frameworks
 - ▶ Tactical Purchasing/Cost (Value Intensity)
 - ▶ Global Sourcing, E-Procurement, & Indirect Purchasing
 - ▶ Inventory and Financial Policies
 - ▶ New Replenishment Models and Program Definition
 - ▶ Portals, Tools, and Communication
 - ▶ Alliance Program Execution
 - ▶ Compiling Supplier Metrics & Scorecard Benchmarking

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- 15 years ago The Keg had 6 steak suppliers across Canada
 - ▶ 4 Ontario
 - ▶ 1 Prairies
 - ▶ 1 British Columbia
 - weekly plant visits

- Prime Rib was contracted quarterly

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- Today 2 Steak Suppliers
 - ▶ Macgregors supplies Ontario – east
 - ▶ New Food Classics supplies the prairies
 - B.C. is split between the two

- Prime Rib is supplied by both

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■ MUCH SIMPLER

- ▶ More business in less places has been very positive for The Keg
 - better relationship
 - more nimble
- ▶ The challenge can still be overcoming the natural competitor “dance” when they are in the same room

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- Huge upside is the staff and management training that they both enjoy
- Critical part of new Keg restaurant openings
- Management knowledge and confidence
- When there are issues they are quickly dealt with

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- This approach applies to other suppliers
 - ▶ Unilever Food Solutions
 - both branded and proprietary products
 - logistics, especially new smaller markets

 - ▶ Sysco Foodservices
 - one stop shopping

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■ HIDDEN BENEFITS

- ▶ One invoice, one cheque
- ▶ Within the suppliers, more value as a customer
- ▶ We become part of the strategic direction of the supplier

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