

Profitable Food Facilities
Worldwide

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Food and Beverage Partnership Operational Analysis

The Arrowhead Golf Club

Updated December, 2018



Profitable Food Facilities Partnership Proposal

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Mike Benard / Andy Bendy
Director / General Manager
Arrowhead Golf Club
Wheaton, Illinois

Re: Proposal- The Arrowhead Golf Club Food Service Analysis

December 20, 2018

Dear Mr. Benard & Mr. Bendy

Thank you for taking the time to contact me today. Here is an outline of our proposal to evaluate and assist with the food service operation at the Arrowhead Golf Club in Wheaton, Illinois. As you know, our company brings an experience level that no other consulting firm can bring. We have worked with over 510 facilities in 48 states, Canada and this client list includes 220 private clubs and public golf courses. We understand the challenges of the golf industry and work with your team of managers to come up with a plan of solutions to improve your overall bottom line.

As we discussed, PFFW has assisted a number of clubs in improving their F&B bottom line. The good news is: For a public golf club, over 5.1 million is a good revenue number, so we have the opportunity to improve our profit margins quickly. However, the trend of profits falling from 1.3 million to \$590,000 is something we need to address. I am confident that if we can implement some changes in the near future, we can start to improve our financial numbers in a positive direction in 2018 and make a significant impact in 2019.

In terms of an agenda, based upon our discussions, here are a few areas that we would want to cover:



Initial three-day visit (2 consultants)

- Analyze the current operations at all of the club food service outlets. Reviewing the current numbers prior to our arrival will be important. Once our F&B operations are set up for success, then we can concentrate on the revenue opportunities.
- Work with the food and beverage team on food costs, labor costs, inventory controls, staff training, food quality, food consistency and other operating issues. **This will not be a discussion of theory.** We will come up with some recommendations and procedures that can be implemented in the next 60 days that will impact our bottom line in the very near future.
- Review with the food and beverage director and the chef the current purchasing systems and how they tie into overall food quality, menu selection and profits.
- Look at the systems and controls of the current operations. This list would include operating procedures, cleaning procedures, food prep procedures, plate costs, portion controls and the theoretical cost of goods.
- Review the staff training manuals and service training standards for all of the front and back of the house staff.
- Study the existing payroll and schedules and working through some specific solutions to reduce payroll costs without jeopardizing service speed or food quality. A payroll analysis and staff productivity model would also be discussed.
- Analyze the current catering and dining room menus and based upon our experience, making suggestions for increased efficiency, quality and profitability.
- Review the existing kitchen space and providing recommendations to maximize efficiency of the workspace. This will ultimately improve service times to the guests.
- Examine the operations from a customer's perspective, and determining additional opportunities for increased sales and profits including banquet opportunities.
- Provide a feasibility study for a food truck for the city – does it make sense? What are the opportunities? What is the ROI? This will be included for no additional cost.

This is just a general outline. If there are other areas that you would like me to cover, please let me know. We would be available to start on your project at the end of January or beginning of February, 2019 so we can provide the recommendations to be ready for the spring of 2019.



The overall financial improvements will come as we begin to execute our recommendations. The financial improvements will be the reward over the coming months as we implement the changes that will be recommended from the site visits.

One item that we will want to incorporate is a meeting with you and the food and beverage team on the last afternoon to present our recommendations and report outline. The goal of this presentation will be to get some closure from all of the players on the timelines to complete the projects to move the golf club food and beverage operations forward.

With the number of recommendations that will be provided, a follow up visit is the key to your success in this process. This insures that the initial projects and recommendations are completed and we are able to set up the next set of objectives to start on building the revenue.

Travel expenses are billed separately. All fees are due immediately upon completion of work at the site and prior to our departure.

<i>Initial 3-day Consulting Fee (2 consultants)</i>	<i>\$14,900</i>
<i>2-day Follow up visit (2 consultants reduced to)</i>	<i>\$9,900</i>
<i>Ongoing conference calls</i>	<i>INCLUDED</i>
<i>Travel Expenses:</i>	<i>Billed per visit</i>

These fees include all of the preliminary work and analysis and a comprehensive follow-up report on the current operations with timelines to complete the projects after each visit. The subsequent return visits are critical to the success of this project. I may not have mentioned, but **our consulting fees are guaranteed**. If you don't feel we brought the value of our fees in terms of improving your operations, I will personally send you a check back for the fees that you paid. If we can begin the process of improving your bottom line by just 2% in one season (\$102,000), our fees are already covered in less than 3 months.

If you have any additional questions, please don't hesitate to call. Thanks again Mike & Andy, we look forward to working with you and your team on this project.

Sincerely,

Mike Holtzman

Mike Holtzman
President, CEO
Profitable Food Facilities



TO: Mike Benard / Andy Bendy:

REFERENCE: List of items needed to help complete the analysis

Here is the list of items that will help us tremendously to complete the preliminary work on the project. If you could include this information, along with any personal observations and goals for this project, we will be more than prepared to analyze your facility. Here is the list of items **(the bold print items below are most critical)**:

- **Menus and prices for all of the food and beverage operations and catering**
- **A recent set of invoices and a set of invoices from 6 months ago (3-4 broad line invoices like Sysco and 2-3 invoices of the other vendors).**
- **Profit and Loss statements from 2015, 2016, 2017 and up to November of 2018**
- **Budgeted Food cost and labor costs for 2016 - 2018**
- Hours of operation at each dining facility, number of men's and women's golf members at the club
- A breakdown of food and beverage sales for each area (ala carte dining, catering, bar sales)
- Current recipe costs for the items served on the menu (as much as possible without spending too much time.)
- A current menu mix of the top selling items to the least selling items for 2016, 2017 and up to November of 2018
- Four weeks of staff schedules from a slow time and a busy time for the front of the house and the back of the house.
- A list of specific objectives that you would like us to consider when we are analyzing this data and maybe a paragraph or two on the food and beverage manager and their staff, including the chef (what are their strengths, what would you like to improve)
- An organization chart and anything else that you feel would be beneficial to help with the analysis.

If we could get this information in the next couple of weeks, that would be great. Again, if you have any other questions, please give me a call.



Notes for Consulting Project:

- A detailed follow-up report will be provided within 14-21 days after each site visit.
- Consulting Fees and expenses are due prior to our departure from each on-site visit.
- Dates for the follow up visit would be agreed to prior to our departure.

Liability limitation:

The Arrowhead Golf Club (AGC) and Profitable Food Facilities Worldwide (PFFW) have discussed the risks, rewards and benefits of the project and PFFW's total fee for services. The risks have been allocated such that **AGC** agrees that to the fullest extent permitted by law, PFFW's total liability to **AGC** or owner/client for any and all injuries, claims, losses, expenses, damages, or claims expenses arising out of this agreement from any cause or causes shall not exceed the project fee. Such causes include but are not limited to PFF's negligence, errors, omissions, strict liability, breach of contract or breach of warranty.

Mike Holtzman

Signature of PFF Representative

12/20/18

Date



Signature of AGC Representative

1/6/19

Date

Note: Upon approval, please Sign and fax back. Thanks