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SMOOTHIE
CAFE

Tropical Smoothie Cafe | Case Study

Tropical Smoothie Cafe was born on a beach in Destin, Florida, in 1997 and has been serving fresh, bold flavors ever since. Guests can enjoy the everyday getaway of Tropical Smoothie Cafe with tasty real fruit smoothies, toasted wraps, salads, sand-wiches, and more. The brand is growing quickly and has more than 1100 locations across the United States with plans to reach 1500 by 2025.

However, the big future Tropical Smoothie Cafe is planning required a technology update to better scale with growth. Tropical Smoothie Cafe is a fully franchised system and driving franchisee success and profitability is at the heart of everything they do; the franchisee is truly their customer. As such, optimizing inventory and labor specifically were top priorities for the brand. Strong system-wide reporting and better unit-level visibility was also a big priority so that brand decisions could be made faster and with more intelligence. This led Tropical Smoothie to select SynergySuite as their back-of-house vendor in 2018.

CEO Charles Watson said, “We got to a point a few years ago when we said, **‘Our franchisees can no longer operate their cafes without strong inventory and labor tools, and we can no longer operate without better unit-level cost understanding,’ so we knew we had to investigate, choose and implement a best-in-class system that would assist us. It was imperative to our ability to serve our franchisees and guide the brand.**”

At the time, the brand had an all-in-one point of sale and back-of-house solution. Karen Grissom, Vice President, Operations Support and Training, said Synergy-Suite improved the functions they had previously been using, and brought

additional features, like checklists and label printing.

One challenge Watson said they faced is Tropical Smoothie franchisees range widely in needs and complexity with many single unit operators, as well as franchisees who have dozens of locations. **“We finally landed on SynergySuite because it was a scalable, customizable solution that could be as simple or complex as the operator required, pick your bells and whistles, SynergySuite has them all for the asking.”**

Empowering Profitable Franchisees

Through the pilot phase and full implementation, franchisees have been top of mind, Grissom

“**In this business pennies, make dollars. Those are points of profitability that turn into thousands of dollars.**”

Charles Watson, CEO



Some franchisees were experienced operators with groups managing multiple brands. Others were new to restaurant operations and were learning the ropes with their first unit. As a result, Grissom said some operators are jumping right in, doing full inventory, and learning the system quickly, while some less experienced franchisees may be learning inventory and labor best practices for the first time.

Watson said SynergySuite delivered on their promise of being a system that can support both operating groups, as well as provide the aggregated brand level data they need to find the specific areas that franchisees need training to drive better results at the cafe level. Information and best practice sharing has been a big help in driving better profitability results across the system.

"We are still in the relatively early innings with SynergySuite in terms of full system adoption and subsequent cost savings benefit, change takes time, but we could not be happier with the results we are seeing from our operators that are jumping in with both feet," he said.

Using all of SynergySuite's eight modules, Tropical Smoothie has added the following key functionality:

1. Consistent inventory, including theoretical based on live sales, to improve profitability. This also allows operators and corporate to view which locations have the lowest variances and provide coaching to those who may be trying to improve their variance.
2. EDI integrations with key suppliers to streamline and reduce the cost of ordering.
3. Labor and scheduling to better understand and optimize labor. A scheduling system that uses sales forecasts to recommend optimal labor across the day and week.
4. Reporting to gain visibility at the corporate level and empower franchisees. ***"The biggest piece is the profitability piece. We really look closely at the profitability of our cafes. So we wanted a system where we can immediately***

identify those food and labor opportunities. Being able to look at that and then extract data from there will help with profitability. It's about how do we really drill down and manage the system to where we can train and help our franchisees with profitability," said Richard Key, Chief Operations Officer.

"In this business, pennies make dollars."

Key said franchisees, particularly those who are already taking full advantage of the system, are seeing improvement in their food cost percentages and have now shifted to fully implementing the labor module. This is particularly helpful as supply chain issues and labor shortages eat into unit profitability.

Watson said, ***"The SynergySuite system decreases a lot of time that was previously needed with actual paperwork and spread-sheets. That right there is a huge time and cost savings. In this business, pennies make dollars. Every CEO in restaurants will tell you that. Those are points of***



profitability that turn into thousands of dollars. And that's the difference between having okay unit-level economics to great unit-level economics—and that makes franchisees happy."

Just as the franchisees' job is to serve guests, Watson said their job is to serve franchisees. The visibility into real-time food and labor costs allows the Tropical Smoothie Cafe Support Center team to monitor what's happening at the unit level and understand what adjustments may be needed, cafe by cafe.

Watson said he sees the service mentality they have for franchisees in Tropical Smoothie's relationship with SynergySuite as well. SynergySuite expanded and evolved to meet the needs of Tropical Smoothie Cafe's franchisees, and they have continued to strengthen the relationship.

"We have to have the technological foundation to be able to support additional technologies in our cafes—beacon technology, digital menu boards, etc., but always the restaurant basics first, hospitality, food and labor

costs, great products. With Synergy-Suite as a partner, we now have a technology partner with efficient and effective tools that aid us in serving our franch-isees in controlling their costs and driving their profitability."



" Using SynergySuite, I have seen as much as 2 to 2.5% decrease across the board in food waste.

Steve and Peggy Johns, Texas Franchisees

Learn more about SynergySuite at www.synergysuite.com or by calling 888.531.2090.