



Distribution: Olive Garden



Client Challenge

Darden Restaurants operates over 1,100 restaurants, including Olive Garden, Red Lobster, Bahama Breeze and Smokey Bones, making it the largest casual dining operator. Olive Garden revenues for 1999 approached \$1.5 billion at over 400 locations. The Advantage Group (TAG) was retained to design and implement an outsourced supply chain management program, including asset procurement and disposition, to help Darden improve the efficiencies associated with the remodel of their Olive Garden restaurant locations throughout the U.S.

TAG Action Plan

TAG analyzed the client's needs and implemented a four-step program, designed to minimize Olive Garden's supply chain headache and improve project efficiencies.

Step 1 - Consolidate inventory to a central distribution center.

Step 2 - Document inventory and manage through a state-of-the-art inventory management system.

Step 3 - Work with client to enforce vendor protocols.

Step 4 - Implement a bulk ordering system.

Olive Garden Results

TAG consolidated the FF&E assets from multiple warehouses to one central distribution center. TAG developed a bulk order process that helped improve Darden's order compliance rate from 30% to 99.2%.

TAG increased compliance rates, assisted in reducing the construction cycle from 12 weeks to 8 weeks. This resulted in a significant reduction in dollars spent on freight given the overall reduction of required shipments per remodel.

TAG lowered shipments and therefore costs to restaurants from 8.5 per location to 1.2.

The Program TAG supported increased same-restaurant sales at Olive Garden.