

Tim Horton Inventory Spatial Challenges and the effect it has on profit margins.

Carolyne Regan, September 15, 2020

Tim Hortons franchise owners Chris Caruana and Guy Pritchard were asked about the spatial challenges they faced. The number one complaint involved inventory organization and the effect it has on profit margins.

Guy Pritchard, who has owned Tim Horton Restaurants for over the last 25 years, has seen a very cost-effective benefit in having a Storage Box on site. Guy explained that many Tim Hortons locations are situated in areas of dense real estate or on compact properties with little or no extra space available. Older Tim Hortons locations may have been built to satisfy earlier demands, but no longer meet the requirements for today's changes and growing volume of business.

"With our locations being so tight, you start piling things on top of each other," says Chris Caruana, co-owner of 14 Tim Horton locations.



Chris Caruana, viewing the interior of The Storage Box

The managers at several of his franchises were forced to stack inventory until it became damaged or expired. "... And you have to discard it at a full loss of product," Caruana admits. "... It's no secret, in our industry, there is a lot of room for shrinkage and theft. If you can't manage your inventory by seeing what you have, organized and well-planned, then you will lose inventory. Managers that have well-controlled inventory run 1 to 1.5% less than anyone else because they know what they have and know what they use - difficult to do when your stock is not in order."



Caruana's Storage Box at Tecumseh Rd at Huron Line

Because of these concerns, The Storage Box has developed a storage solution for Tim Hortons franchise owners. A customized storage container that provides adequate space and organization for inventory while addressing all the restaurant's needs required to meet health and safety

standards, the image, security, and work with the restaurant's budget.

"The ability to manage and control inventory is critical." The result, added Caruana, was a frustrated manager at one of his high traffic locations, who was not making his bonus. We were having inventory issues; this location was supplying a Kiosk at Food Basics, located across the street. We added a small five-foot Storage Box and separated each restaurant's inventory; inventory transfers were not correctly recorded. After receiving The Storage Box, Caruana has seen an increase in employee efficiency, and the manager has made his bonus two quarters in a row. Managers and employees are much happier and experience less daily stress.

"The container had insulated walls, the shelving system is ideal, and the battery motion-activated light works great," Pritchard says. His restaurants use The Storage Box for storing dry goods, cups, bowls, lids, packaging, donut boxes, and bags. It's the first storage option that appealed to Pritchard and proved to be effective.



Guy Pritchard's Parkhill, Ontario Storage Box

"Over the years, we looked at storage container options, but we did not like anything we saw until we saw The Storage Box." Pritchard was also impressed with the robot delivery system of the storage unit, placing the container exactly where he wanted it.

Asked about his first thoughts on The Storage Box, Caruana explains. "Can I justify taking on the additional costs and how can I make this a zero-cost item."

Available at the cost of less than \$120 per month, Chris Caruana truly believes "... the benefits far outweigh the costs." He has noticed a drastic reduction in loss due to theft, shrinkage, damage and expiry. "We save countless minutes or hours as it is a lot easier to put away a truck when it comes in."



Interior view of The Storage Box

Inventory isn't the only pressure facing franchise managers. In high population density areas and city centers, health and safety are additional issues managers have to deal with.



"Downtown is riddled with vermin and pests," Caruana explains. "Security is another big issue." Caruana was very impressed with the food-grade shelving and battery-operated lighting within The Storage Box. The interior of the container meets the corporate and health unit standards allowing them to maintain full compliance as the product is not stored on the floor.

The Tim Hortons Storage Box was developed specifically for use by the Tim Hortons brand. It has a small footprint and

is available in two sizes – 5ft x 8ft and 8ft x 8ft. The box contains a food-grade shelving system that keeps inventory visible, off the floor, and within easy reach. A high-security locking system, with easy-to-open doors and motion-activated lighting are integrated for safety and theft prevention. The containers are non-branded and are also weather and rodent-proof with insulated walls.

The modestly branded container is professional in appearance and does not detract from the Tim Hortons brand. Both Caruana and Pritchard were impressed by the overall experience and the resulting advantages to their franchise locations.

The Storage Box has designed an innovative solution to help Tim Hortons franchise owners deal with their storage space and inventory difficulties. "The Storage Box is impressive," concludes Pritchard. "We think they are a great solution, and I would highly recommend The Storage Box."

The Storage Box service is available throughout the Province of Ontario. Contact information is 1.800.555.4510, and visit online at www.thestoragebox.com; or email mark.berioia@thestoragebox.com