



Miami-based Subway going on a diet of its own

By JERRY JACKSON, [Orlando Sentinel](#)

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Subway sandwiches helped the guy in the commercial lose 245 pounds, and now the nation's more than 13,000 Subway shops are going on a diet of their own.

The chain's Miami-based purchasing cooperative on Wednesday said it has signed an agreement to go to a paperless, computerized food-tracking system to squeeze out more savings in the highly competitive fast-food industry.

"This is going to drive down costs and improve quality," said Jan Risi, president of Independent Purchasing Cooperative, which handles all the food buying for the world's largest sub sandwich chain.

Financial details of the agreement with Instill Corp. of Redwood City, Calif., were not released. But Risi said she expects the Instill system, when fully operational, will trim at least 2 percent off the chain's hefty food bill.

Subway annually buys more than 35 million pounds of turkey, more than 10 million pounds of tuna, and tens of millions of pounds of other meats, bread, condiments and supplies. Systemwide sales for privately held Subway, based in Milford, Conn., total more than \$3.6 billion a year, with about \$3.2 billion of that generated in the United States and the rest by overseas outlets.

Subway is one of the largest fast-food employers in Central Florida, with more than 120 outlets in the six-county area and about 1,400 full- and part-time employees. All of the company's outlets are owned and operated by franchise companies.

Risi said the Instill Purchase Insight system will work in tandem with a computer system Subway began installing more than a year ago. It's built by a unit of General Electric.

The GE computer captures details of food costs and movement from the supplier to the distributor. The second phase of the system, to be implemented during the next six months, will track costs and other details from the distributor to the purchasing cooperative in Miami and to individual Subway outlets.

"We're happy with GE. They've done a phenomenal job and we continue to partner with them, but we felt that phase 2 would be better handled by Instill because of its food service experience," Risi said. It also "made sense from a timing standpoint," shaving a year or more off the implementation schedule.

Instill provides similar computer services for Applebee's International restaurant chain, the Fine Host food service company, hotels and other institutions, a company spokeswoman said.

When fully operational, Risi said, the integrated system will reduce but not totally eliminate the need for phone calls, faxes and paperwork in handling invoices and interacting with buyer's representatives.

"It's a technology initiative that allows us to look at the big picture," Risi said. "It also means we'll be ahead of the curve on food safety."

Subway is the sixth most popular fast-food chain in metro Orlando, according to the 2000 Scarborough Report, a survey of adults who dine out frequently.