

## Tracking beer, one drop at a time

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Frothy profits are hard to come by for bar-rooms in this economy, so dozens of local watering holes are hoping that a keg monitoring technology will help preserve profits — one perfectly poured pint at a time.

Close to 50 Massachusetts restaurants and bars have signed up with Syracuse, N.Y.-based **US Beverage Net Inc.**'s flow meter system, which monitors every drop of draft beer by identifying how much has been poured and comparing that to how much has been sold. The system is designed to curb theft (usually in the form of bartenders giving away pints), identify faulty equipment or simply identify a bartender who pours beer incorrectly.

The flow meters have local restaurants buzzing about recapturing lost profits. Eateries are especially desperate to save cash in this market. Restaurant traffic dropped 2.6 percent during the second quarter of this year in the United States, the steepest decline since 1981, according to the research firm **NPD Group Inc.** in Chicago.

"I've always been interested in having a monitoring system," said **Dana Van Fleet**, owner of the **Cask 'n Flagon** restaurant and bar in Boston. Van Fleet signed up for US Beverage Net's system last October.

"As far as waste and theft, all you can do is keep it down because it's going to happen no matter what system you have in place," Van Fleet said.

Van Fleet said he wished he'd had the system last year when, after several months, he finally heard a bartender complain that one popular draft line was pouring too much foam.

"If you're pouring a lot of foam, you're pouring profits down the drain — we lost a lot of money" before it was fixed, Van Fleet said.

At the Cask 'n Flagon, about 50 percent of revenue (which the restaurant does not disclose), comes from draft and bottled beer. This year Van Fleet says he has seen a decline in business as **Red Sox** fans don't arrive at Fenway Park as early for games, and they don't stay as late. But he says those 81 sold-out home games make for a nice business boost.

US Beverage Net's software-based system works by installing a 2-inch long "flow meter" in each beer line at the bar. The draft beer flow is recorded on the firm's proprietary



W. Marc Bernsau

**Dana Van Fleet of the Cask 'n Flagon says new technology to track beer flow can help pubs like his save money, and comes at a time when many can use the help.**

data box or "BevBOX" and that data is sent to the company's Web site, where customers can log on to check their kegs.

The company uses a subscription business model and charges a onetime installation fee of \$1,000 and \$100 per month after that. That averages out to about \$6 a day for the first year and about \$3 a day — or one pint of beer — for subsequent years.

"Restaurant operators and bars are looking for any way to control costs because traffic is not increasing and costs are going up," said Solomon, who estimates that the average bar loses up to 20 percent of its draft beer annually.

"This is a way to do that in a category that carries the highest profit margin, which is draft beer. And Boston likes its draft beer," Solomon said.

Indeed, Boston has been a ripe market for the company, which plans to open an office in Boston later this year. That outpost will serve as the company's New England regional office. US Beverage Net, which launched four years ago, does not disclose revenue. Competitor Bevinco, which markets a beer monitoring system, has a Medford office.

Cambridge-based **Grafton Street Pub & Grill** owner **Patrick Lee** installed the US Beverage Net's system earlier this year. Lee says monitoring beer flow is especially key given the

surging popularity of craft beers, which are more expensive than big beer brands.

"You could serve a 10-ounce beer that costs \$10, so if there's a problem with the way that beer is pouring ... those extra ounces mean a lot when you're talking about costs like that," said Lee, who also owns the **Temple Bar** and **Redline**, both in Cambridge.

A side benefit of the service is that bar owners are able to see which brews are selling the fastest and can make future beer choices accordingly, said Lee, who says business is flat right now.

For **Conor Brennan**, owner of Somerville-based **PJ Ryans**, who installed flow meters earlier this year, it's all about saving cash.

"It's an extra tool to save costs," said Brennan, who said revenue is down about 13 percent over last year.

Draft beer losses — either via faulty draft systems or theft — is a very real problem in the industry, said **Charlie Papazian**, president of the **Brewers Association** in Boulder, Colo.

"The cost of the monitoring system will not address the problem," Papazian said. "The owner will have to spend money to educate employees."

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