

# Case Study

## Polished Casual Restaurant Chain



### Introduction

The client is a polished casual restaurant chain with hundreds of locations across the United States and worldwide. It was founded more than 20 years ago and currently employs more than 20,000 people.

### Challenges

The client understood the importance of data and analytics, but struggled to find the insights they needed to improve their operations:

- Restaurant operators only had visibility into their restaurant's financial performance at the end of each fiscal period after the Accounting P&L was generated, yet they needed a way to produce a managerial P&L report aligned to its operations. This would allow them to impact decision making within the fiscal period to positively effect monthly outcomes.
- The company's overall food costs had been rising significantly in recent months and it was putting pressure on profitability, yet the organization did not have any knowledge into what ingredients, menu items, and restaurant locations were causing the most negative impacts.
- The restaurants had no way to reward their top performing servers with high volume weekend shifts because they had no standardized way to assess them. As a result, servers were given shifts from week to week based on factors other than merit such as personal relationships with the operators. This resulted in less than optimal sales and in declining hospitality measures for the company.

## The Datavail Solution

Together with the client, Datavail came up with intuitive, data-driven solutions to solve the aforementioned three key business issues:



An algorithmic process to produce weekly P&L statements using a mix of actuals and forecasted data which aligned to restaurant operations that restaurant leaders could use to effect change within the fiscal period.



A theoretical food cost management platform that calculated menu item costs and subsequently gross margins for every menu item at every restaurant location in the chain. It also served as the culinary R&D margin calculator for commercialization of new menu items.



A server scorecard to statistically evaluate servers across the chain based on the 5 most important behavioral/business attributes tied to performance. Servers with the highest scores received the most lucrative daypart shifts on Friday and Saturday evenings.



### Results

By partnering with Datavail, the client has realized a number of major benefits:

- Improved, more up-to-date insights about each restaurant's operational and financial performance.
- Gross margin improvement and waste mitigation to manage profitability and help with controlling menu item price increases to the market.
- Merit-based, quantitative evaluation of servers rewarding top performers, increasing sales performance, and boosting hospitality measures.
- Tens of millions in combined savings/ROI.