

# How Does A Restaurant Owner Turn 12 oz Into \$25,000?

## The Challenge



A multi-unit franchise owner wanted to increase sales in a tough economic market. Because net income was falling at his sandwich stores and throughout the chain, Daryl F's goals were to find an effective, painless way to raise customer count, improve efficiencies, track sales and inventory, and motivate his employees to upsell menu items like bacon and cookies.

To make that happen, Daryl knew he needed to tap into innovative ways of leveraging real-time data, but he didn't want to get stuck juggling the numbers. He also knew that he had to stay focused on bigger-picture targets such as increasing the average sale, improving profits with every transaction, building a culture of teamwork and trust, and opening new stores.

## The Solution

With his objectives clear, Daryl used applications available on OmniLink® Merchant Services (OMS), Epson's suite of cloud-based software solutions for the retail and hospitality markets, to quickly gain access to actionable data through best-of-breed apps. OMS enabled Daryl to use his receipt printer to track everything from inventory and theft to line speed and the number of drinks sold per hour — all at the click of a button.



"Looking at the numbers with the simple actionable data provided by OmniLink Merchant Services, I decided to lower the cost of all fountain drinks to \$1," says the sales-leading entrepreneur, who raised the price on each bag of chips so meal-pricing still worked. "In effect, this turned every sale into a meal-deal purchase. It was a new pricing mix that was not readily apparent — one that could only be achieved with advanced real-time analytics."

With more customers eager to get their hands on a \$1 soda, overall sales figures rose 6.6%, miscellaneous sales jumped 19.4%, and customer counts moved up a healthy 4.6%. The real-time analytics also gave Daryl a powerful motivational tool to incentivize his employees and improve overall operational efficiencies. The result: Dropping drink prices to just a buck raised overall revenues by \$25,000 per store.



## 5 Steps To Success

### Go To The Cloud

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When Daryl introduced OMS's real-time performance tracing in his stores, his data automatically went to the cloud, sparing him the time-consuming task of tracking data through spreadsheets, charts, or other services that either lacked customization or would take decision-making power out of his hands. OMS gave Daryl the choice of many apps — including SmartScore and SmartAnalytics — that helped him realize where sales lift and menu mix opportunities existed, where to focus employee behavior and performance, and how to test price elasticity to get every dollar possible out of every customer transaction. "I could see from the analysis that the pricing just wasn't optimized," says Daryl. "I applied basic incentive pricing, along with real-time performance feedback, to get more out of every transaction."

### See What Your Employees Are Up To

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With the OMS in place, Daryl collected real-time data from his printer to stay abreast of how his employees were performing on an hourly, daily, weekly and monthly basis. OMS's live dashboard showed how each employee was tracking compared to expected results and to fellow employees, as well as how stores were performing compared to each other.

### Set Reachable Sales Goals

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Daryl educated his employees on the importance of hourly drink sales, up-sales, and other key performance indicators. Then, using the SmartScore app available through OMS, he pushed his employees to compete against key performance indicators and against each other to see who could sell more up-sale items and bring in more customers. "My employees knew they would need to bring in about seven more customers per day to break records. With this goal in mind, we set up a bonus structure, and what I saw was nothing short of a miracle. My staff was more motivated. They were organizing themselves to meet our goals, and we were having a great time doing it."

### Provide Real-time Feedback

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Using real-time data collected via the receipt printer, Daryl's employees were able to see a screen that showed them their performance in terms of drink sales, cookie sales, and other metrics in comparison to expected results. The daily and hourly performance tracking let employees know whether they were lagging behind or had earned some bragging rights for coming out on top. The data allowed Daryl to provide immediate feedback to employees, rather than at the end of a shift or days later, when momentum would have already been lost.

### Spice Up The Workplace

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Daryl's bonus structure was robust. The first year, he set a bonus of 10% for all sales beyond \$20,000 per week. Sales reached as high as \$21,661 one week — pretty good for a store that had never seen sales beyond \$19,500 per week. The next year, Daryl expanded the pilot to more stores. For each percentage point increase above the average sales in the previous year, he assigned a bonus of \$175.

## Real Results

By adding real-time, data-driven feedback to his operations, Daryl increased overall sales and also increased revenue from up-sale items. This, combined with increased customer counts, resulted in revenue jumps of above 6%.

By successfully motivating employees to succeed, Daryl improved his bottom line, pulling in additional sales of \$25,000 per store. Even better, OMS gave him the freedom to choose a data solution that was right for his business.

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