

KFC/Pizza Hut makes efficiency gains with Zap Business Intelligence

Businesses become more agile, responsive and performance-focused

Situation

There are over 120 KFC and Pizza Hut outlets in Singapore, employing about 5,000 staff. Both brands also offer Singapore-wide delivery services. In the face of rapid business growth, KFC/Pizza Hut found that their business intelligence (BI) system was unable to cope. It fared badly when meeting corporate reporting requirements, benchmarking store performance, and reducing the time and costs spent on day-to-day reporting across multiple business systems.

"We faced daily challenges in producing timely reports and complex analysis across our many restaurants and product lines to make informed decisions," said Mr Tan Teng Sern, System Analyst with KFC/Pizza Hut in Singapore.

For example, day-to-day operational reporting is required to calculate the pay to daily-rated workers like delivery staff. Using the old BI system, it could take restaurant managers hours at the end of each day to tally the number of deliveries that each rider had made, resulting in restaurant managers working overtime, and riders waiting for their payment. The system was also difficult to use and rigid in design. Work which could take up to a few days every month also went into generating reports to meet corporate requirements. The problem in generating timely reports also hindered KFC/Pizza Hut's ability to respond quickly to changes in the business environment. What they needed was a solution that would let them set different objectives for different departments, and monitor each department's performance.



Case Study

Name:

KFC & Pizza Hut

Overview:

KFC and Pizza Hut are major players in the local food and beverage market. Since establishing the first KFC outlet in Singapore in 1977, the chain has grown to over 120 outlets employing about 5,000 staff. KFC/Pizza Hut faced difficulties when meeting corporate reporting requirements, benchmarking store performance, and reducing the time and costs spent on reporting across multiple business systems.

Products Used:

Zap Business Intelligence

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Mr Tan Teng Sern
System Analyst
KFC/Pizza Hut



Solution

KFC/Pizza Hut embarked on a search for an affordable, high-performance and easy to maintain business intelligence and data warehousing solution. "We could not afford to have a data warehouse project that would take months or years to implement," said Mr Tan. "With the scale of hundreds of users, it would have been very costly for us to adopt most of the available solutions in the market."

These requirements led KFC/Pizza Hut to Zap and its solution, Zap Business Intelligence.

"We chose Zap Business Intelligence because it offers powerful functionality and proven scalability, and yet is easy to install, maintain, and use," said Mr Tan.

The deployment aced its test with KFC/Pizza Hut when Zap was rolled out in the production environment. Here, users wanted to incorporate other data sources to complete the corporate data warehouse, including Point-of-Sale, Marketing, HR/Payroll, and Supply Chain Management.

"With Zap's help, we built the data warehouse, OLAP cubes and business analytics content for the delivery service business in 10 days. After two months of parallel run and testing, we went live with the Zap Business Intelligence in September 2009," said Mr Tan.

The Zap solution supports close to 400 users, including restaurant managers, operations managers, and back office directors. It brings together key BI capabilities including dashboards, analysis, reporting, KPIs and scorecards, all in a user-friendly web portal.



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Benefits

Zap's Business Intelligence has resulted in many significant benefits for KFC/Pizza Hut.

"Improving reporting and analysis across our restaurants and head offices offers considerable gains in efficiency and will enable our businesses to become more agile, responsive and performance-focused," said Mr Tan.

The BI system contributes to greater business agility in several ways:

- 1) **Optimizing marketing spend:** The system allows KFC/Pizza Hut to evaluate the effectiveness of marketing campaigns, enabling immediate adjustment of these campaigns to target them more effectively.
- 2) **Enabling strategic restaurant planning:** By analyzing sales and demand, KFC/Pizza Hut can conduct more effective strategic planning to open the right restaurant at the right location at the right time.
- 3) **Enhancing customer service:** The system analyzes delivery punctuality, and correlates it with parameters such as restaurant and rider, allowing management to make decisions to fine-tune operations, and improve customer service.
- 4) **Improving sales:** The analysis of point-of-sale data enables KFC/Pizza Hut to measure the effectiveness of their package deals in order to improve sales.

Cost savings

Mr Tan estimated that KFC/Pizza Hut will gain a return on investment from Zap Business Intelligence within 12 months, particularly in reducing the amount of staff time spent on daily reporting. The Zap solution has resulted in cost savings in several areas, including improving labor efficiency. With Zap, the time taken for restaurant managers to check reports has been reduced from 30 minutes to about five minutes, and while operation managers and administrators used to spend about an hour a day retrieving reports, this can now be done almost instantly. This has resulted in significant labor cost savings. Another cost saving measure has been reducing the reliance on IT.

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