

Denny's drastically reduces discount theft with critical insight from Envysion's Loss Prevention Audits

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Challenges

With labor shortages, it's difficult to have to let staff go for stealing. But employee theft is a challenge most restaurants face, and Denny's is no different.

Solution

- Restaurant leadership receives easy-to-read loss prevention reports based on surveillance video.
- Denny's can quickly take action when there's evidence of theft.

Business Outcomes

- Denny's has drastically reduced internal theft with Envysion's Loss Prevention Audits.
- When theft does occur, the restaurant can use information from the audit reports as a coaching tool to prevent future incidents, rather than letting staff go.

In the restaurant business, you can't afford to lose a penny or you won't be profitable. If people don't have guardrails, they steal. Envysion helps us with cash control."

- David Kahre, Owner, Denny's

▶ A LABOR SHORTAGE AT AMERICA'S DINER

David Kahre owns and operates 13 Denny's restaurants across Illinois and Indiana under the umbrella of Pride Restaurants. The Denny's brand has been around since 1953, a classic American diner serving quality food and healthy portions at a fair price.

While Kahre's restaurants made it through the COVID-19 pandemic, the current business climate in the hospitality industry has been challenging due to a severe shortage of staff. "Like all other restaurants, we're susceptible to any incidents that involve people," he says.



► PROTECTING THE DENNY'S BRAND AND IMPROVING OPERATIONAL EFFICIENCY

Since 2017, Denny's has used Envysion's managed video software to track incidents of theft and reduce loss of revenue. The software enables Kahre's restaurants to easily generate exception reports on their internal POS. Envysion's surveillance video aligns with every interaction to provide visual validation of the transaction.

In 2018, Denny's added Envysion's **Loss Prevention Audits** to its toolkit. Auditors review transactions across all restaurants to identify theft and deliver verified incidents for review.



► TACKLING A COMMON INDUSTRY PROBLEM: EMPLOYEE THEFT

Employee theft can put a serious dent in a restaurant's balance sheet, resulting in a **loss of 4% in sales** on average across the industry. Prior to implementing Envysion's software, Denny's struggled with employee theft, too.

The company had to let go of several long-term staff members for stealing, even though the servers were favorites among regulars—and they generated a substantial amount of sales. Now with Envysion, Denny's can act quickly on evidence of theft and avoid making costly terminations.

“Before Envysion, we had quite a bit more theft occurring in the form of discounts, especially on the late night shifts. With Envysion, it's easier to keep people away from the cash register if they might be tempted to steal, rather than having to let them go.”

- David Kahre, Owner, Denny's





▶ REPLACING MANUAL AUDITING PROCESSES WITH AUTOMATIC INSIGHT

Several years ago, Denny's didn't have any cameras. This meant that if a customer was paying with cash, a server could enter a discount, charge the customer for the full amount, then pocket the extra money unnoticed. Considering that 23% of restaurant transactions are paid with cash, management had to be on high alert for theft at all times. The problem was, managers didn't have any evidence to back them up when they suspected a problem.

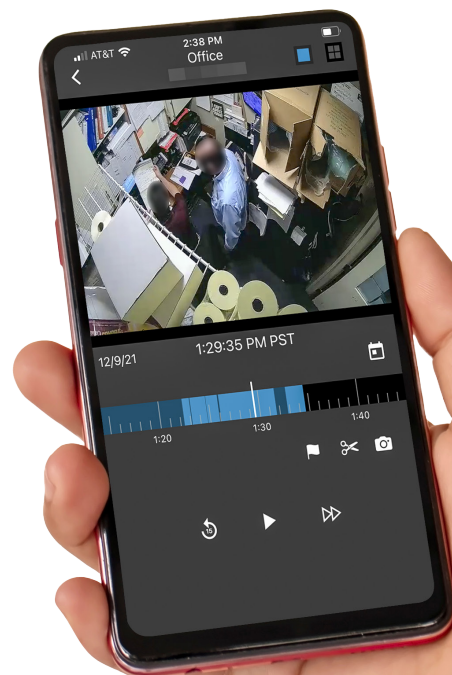
"If you don't have Envysion, you rely on manual auditing processes like watching hours of video to find out what happened at your restaurant the night before. But it doesn't really work because it takes too much time," Kahre says. "Manual processes might help curb theft, but they don't enable you to ask questions about a discount and you don't have any facts. You don't have any reports or video verification to help you determine what happened."

When Kahre first decided to implement surveillance, he chose a vendor recommended by another Denny's franchisee. However, Kahre found the vendor's system expensive and difficult to use.

He later discovered Envysion at an industry trade show. Envysion's solution and equipment was more robust and cost-effective than the product offered by the previous vendor. Envysion's Loss Prevention Audits was a big advantage due to its ability to generate automatic reports to help restaurants follow up on discounts and evaluate their legitimacy.

“Envysion helps us button up the loss prevention process. Instead of being blind, the technology gives us greater visibility into what's happening in our restaurants.”

- David Kahre, Owner, Denny's



▶ VIDEO AND POS INTEGRATION PLUS INDUSTRY-SPECIFIC AUDITORS REDUCE THEFT

Denny's can now gain highly specific insights into activity at its cash registers with Envysion's audit reports. This is especially helpful for restaurant managers who can't always be on-site and who have competing priorities to attend to when they are at the restaurant. Envysion's industry trained auditors quickly scan camera footage for suspicious activity and body language.

In addition, employees know there are cameras above the cash registers, which has led to better behavior on their part. Denny's makes a point to remind them of this fact to keep awareness high and theft low.

“If we didn't have Envysion and people thought nobody could track their activity, they'd probably get away with theft 90% of the time.”

- David Kahre, Owner, Denny's

ABOUT DENNY'S

Denny's is proud to be America's diner. For over 65 years, the restaurant has been a welcoming place where people can connect over great food. Denny's is always open and always serving guests' favorites.

At Denny's, the team is constantly looking ahead, always moving, striving for more, and hungry for greatness. The restaurant is open to fresh, innovative thinking and believes it will succeed through teamwork, accountability, and pushing the boundaries of its brand.

▶ A PROACTIVE LOSS PREVENTION STRATEGY

Denny's has used Envysion to solve numerous problems, including helping in police investigations. However, the Loss Prevention Audits provides the greatest value to the company. If a notification shows activity that appears fraudulent, management will review the video then decide on the appropriate action for the situation. "You need to have cameras to make sure you're watching for theft, but the audit feature helps me a lot to prevent theft in the first place," Kahre says.

▶ A CRITICAL CO-PILOT FOR RESTAURANT FRANCHISEES

Kahre has recommended Envysion to many other Denny's franchisees. "I think you have to have a system like Envysion," he says. "In the past, we were always kind of flying blind. I couldn't imagine going back to having less visibility into operations and no audit reports."



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