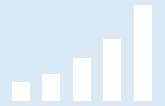




CROSS FUNCTIONAL PLAYBOOK FOR RESTAURANTS



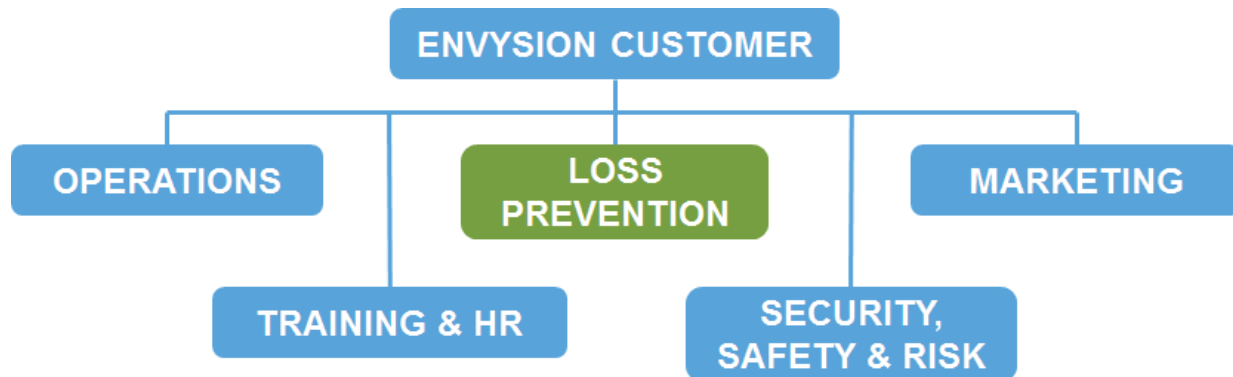
An overview of loss prevention methods
using Video-Driven Business Intelligence™



Loss Prevention Playbook for Restaurants

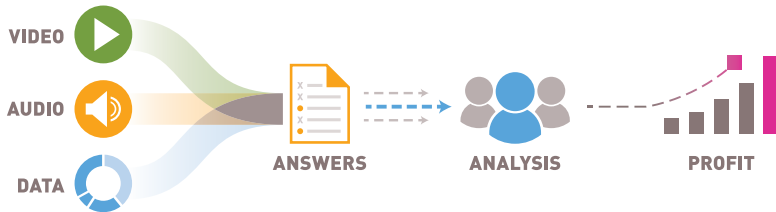
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Introducing Envyision

Enabling businesses to increase profitability 10-15% by putting powerful video-driven business intelligence™ into the hands of the entire organization.



Who is This Playbook for and Why Use It?

This playbook was created to help restaurant owners and operators improve all areas of their business with video driven business intelligence™.

The strategies and tactics in this playbook can be used to gain actionable insight into all aspects of daily restaurant operations and rapidly make improvements to increase profitability.

When using this playbook, as you consider adopting or adapting any of the plays included herein, be mindful of company culture and make sure you operate within the bounds corporate policy.

Each play in this playbook will help you hone your own best practices and give you valuable insight into your business so you can excel in your role.

Operations

Consistent Service is Key to Customer Loyalty

It's no secret that a customer can get food anywhere. The fact that they choose your restaurant is a victory in itself, which is why it has to be a good experience.

Customers will be loyal to you if they trust that they will have a consistent experience each and every time they visit you. Table touches, wait times and consistency in the delivery of high quality food can all influence customer loyalty.

You know the customer experience you are aiming for, and you can use managed video to see if those things essential to the customer experience are being met. If not, you can proactively make adjustments to ensure that they are.

Play: Elevate Customer Service & Consistency

Managed video can be an effective tool to observe

your restaurants operations to access customer service and consistency. You can study how the customers move through your restaurant.

What to look for:

- Wait and line times
- Cleanliness
- Customer and employee behavior
- Returned food

Play: Improve Line Time

Manage Wait Times to Improve Service

According to the Wall Street journal some major restaurant operators could be losing up to \$1 million in sales each week as guests leave because of wait-time frustrations.

Throughput and speed of service are critical and customer wait time must be minimized. Throughput looks at the big picture of the restaurant operations and include restaurant design, employee training and food delivery times. Customers don't want to feel that there time is being wasted.

Actions:

Monitor line time and identify issues causing slow service:

- Coupon usage
- Improperly trained employees
- Price checks
- Forgotten items (customer gets back in line)

Managed Video can be leverage to monitor line times to ensure you don't lose the sale. It's equally important to identify times when there was slow service and investigate what caused the delay.

Play: Control Food Costs

As food cost rises, operators must do more with less

Controlling and preventing losses prevents a unique challenge in the QSR environment. Losses occur from many sources including waste, portion control, employee meal comps, etc. One of the best ways to cut cost is to reduce waste. Utilize you video system to look for over production and waste.

Leverage your video system to monitor portion control

costs. Special attention should be given during prep and at serving to ensure consistent portion sizes and minimize the amount of waste.

Further, work with Loss Prevention to ensure sweethearting, employee meal comps and employee inventory theft are not causing increased food costs. Ensure that Loss Prevention has a back door policy in place so you can rest assured your inventory isn't walking out back door.

Actions

- Look for over production and waste
- Monitor portion sizes
- Spread out inventory control and try spreading responsibility to multiple employees forcing a cross-check system
- Implement strict security measures. Work with Loss Prevention to monitor back door and see what's happening.
- Monitor employee meals and sweethearting.

Marketing & Sales

An average person makes 200 food-related choices in a day, thus the continuous mission for every restaurant owner –even successful ones – is to ensure their restaurant is top of mind and a preferred choice for consumers.

With so many dining establishments vying for a customer's business, effective marketing and sales strategies are key for attracting customer attention, establishing your restaurants identity and enhancing customer loyalty.

Giving out discount coupons, discount codes and special offers can be an effective way to draw new customers but it's imperative to effectively manage these promotions to ensure your increase the number of clients that visit your restaurant, the number of visits and the expenditure per visit.

Play: Improve Coupon Management

Video provides instant, unfiltered access to store operations, allowing marketers to see what's going on in the restaurant. Marketers can use MVaaS to study, test and improve factors that drive top line revenue growth.

For example, let's say a restaurant operator had a target customer demographic for coupon use, and they wanted to examine and validate if it was indeed

this demographic that was using their coupons. Video can be used to examine a cross-section of stores and coupon usage (as well as a control group of non-coupon usage) over a targeted timeframe and developed a statistically valid sample set.

Managed video provides a straight-forward and accurate opportunity to gain visibility to your customers and an ability to examine specific transactions or transaction types.

Actions:

- Review video of new menu item sales to determine who is purchasing the item and access the success of the product launch
- Determine demographics for specific transactions, such as underperforming menu items

Play: Build Profits with Upselling

A recent study found that over half of QSRs fail to upsell. Upselling is an easy way to improve profits immediately. To increase customer satisfaction and check size, train your servers and cashiers in effective upselling techniques.

A friendly cashier suggesting a drink or side salad can increase a average ticket and boost the bottom line. This gets them interested, and may even entice them to buy. Either way, the next step in upselling is to turn an entrée into a combo meal. It's good for the cashier to take charge of the ordering process by bringing up this option proactively.

Leveraging managed video a QSR operator can gain visibility into every transaction in every store, so the company can easily review associates' sales techniques and compare stores to increase average sales and drive overall profit improvement. Further, leveraging video with audio they can ensure consistent customer services and review upsell techniques.

Actions:

- Look for upbeat people that have good service skills to be take orders
- Leverage reports that identify underperforming cashiers and review video and audio of their lowest dollar sales.
- Is the employee informing each customer of the current promotions focused on increasing basket size? I.e. The combo meal comes with a side and a drink for just \$2 more. .

- Look to see if employees are making upsell and cross sell recommendations based on the customer's purchases?

Human Resources

HR is responsible for one of the most important assets and one of the largest costs of a restaurant company – people. A good workforce builds customer loyalty, drives more sales through upselling and is instrumental in company's a brand. At the same time payroll is one of the largest, if not the largest, costs of running a restaurant.

Being responsible for this asset, HR sees the business through a different lens than most other functions within the organization – through the people on the front lines, the cashiers and cooks. As restaurants looks to distinguish themselves in an hyper-competitive market, these associates have the potential to be a major competitive advantage. Leading restaurants recognize this and use their unique culture and workforce to grow revenue, lower costs and improve the bottom line.

Play: Maximize Training

Restaurant operations rely on the speed and efficiency of well-trained staffed, thus training is an integral component of a restaurant's operations. Training is critical to ensuring excellent customer experience and repeat visits across multiple store locations.

Leveraging video of actual store situations gives new hires a better understanding of corporate policies. For example, give new hires immediate feedback. Show them video of what they are doing right so that they continue this behavior, and show them where they have opportunity for improvement.

Videos have the added benefit of standardizing and streamlining training. Best practices can be recorded and shared with the entire organization. Using video, organizations can identify the best, and worst, examples of workplace behavior. This can include: opening and closing procedures, employee appearance, customer interaction, food prep, restaurant cleanliness and more.

Leveraging MVaaS, training departments can archive video into categories to be accessed at anytime by a controlled group of users. Think of it as an online content delivery system of best practices to any member of your organization.

Actions

- Record best practices & share the video with employees for training purposes
- Foster open communication
- Allow users to collaborate on video
- Leverage video in employee evaluations

Play: Manage Time and Attendance

Since payroll is one of the largest, if not the largest, costs for restaurant operators, it's important that it be accurate. Labor costs are controlled through sound scheduling and minimizing time card fraud.

Efficient workforce staffing finds the balance between providing excellence customer service, which can boost sales, and minimizing labor costs of overstaffing. Video can be used to gain better insight into staffing that enables supervisors to spend less time in the back office and more time interacting with customers and coaching store associates.

In addition, time card fraud is an easy way for employees to get paid for time not worked. Fortunately, it's just as easy to identify and correct with video-driven business intelligence™. When data from the time clock (or the POS if employees clock in on the register) and access control are combined with video, it's easy to see who clocks in early, late, when they are not scheduled to work or for someone else. In addition, you can ensure that employees take legally mandated breaks.

Actions

- Integrate your time and attendance data with your MVaaS platform.
- Track time clock adjustments and use video to validate who is making the adjustments and whether it is warranted.
- Review clock ins and outs to ensure employees are clocking in and out at appropriate times and for themselves.
- Ensure compliance with employee breaks

Play: Powerful Performance Evaluation

Video can be an extremely powerful tool in coaching employees on how to improve. Further, video can be utilized to easily review issues like performance or inappropriate behavior. Video removes he said/she said situations and provides concrete examples of performance for evaluation discussions.

HR should team with operations to define company expectations around how store managers should use video in employee reviews and when it's appropriate to involve HR. To avoid potential liability issues, instruct all managers to only have employee performance evaluations and discipline discussions in an area with video (and audio if applicable) recording.

Further, save video clips of positive and negative behavior and share those clips with HR for the employee's personnel file. Using a MVaaS system, this can easily and securely be achieved in the cloud without much effort on either the manager's or HR's part. HR can utilize video in performance or verify that employee needs to be let go based on video examples.

Loss Prevention

One in five restaurants will fail as a direct result of theft

According to the U.S. Chamber of Commerce theft accounts for \$50 billion in annual losses industry wide and those losses directly contribute to one in five restaurants failing. That's a startling statistic, and it makes it even more important that restaurant operators are proactive in their loss prevention efforts.

Video integrated to business system data, such as point of sale, creates powerful exception reports and automated alerts, enabling Loss Prevention staff to rapidly identify and review suspicious transactions.



Play: Audit High-Risk Transactions

There are certain transactions that can be classified as high-risk. These are transactions that relatively easily enable skimming or under-ringing, allowing employees to pocket your cash.

No Sale – What to look for:

- When a customer is present, look for a customer walking away with purchased items even though a no sale was rung in. The employee may quote the customer the price of the items purchased without actually ringing in the items or give away food to a friend.
- Look for no sale transactions when the employee is alone or isolated; look for blatant cash theft.

Cash Refunds – What to look for:

- There is no item and/or no customer present at the time of the transaction. The refund is pocketed.
- There is a customer receiving a suspicious refund where there is no item or the item does not appear to match the refund.

Voided Sales – What to look for:

- In a typical situation the customer purchases items with cash, walks away and after the fact the employee voids the sale in order to pocket the proceeds.
- To validate, look at the time leading up to the void and watch the customer walk away with purchased items.
- Look to see that the employee is alone or isolated from others at the time the void occurs. Look for the employee lifting cash or making a tally (it may be that the employee will lift the cash at the end of the shift when the cash drawer is switched out).

Zero Dollar (or small amount transactions) – What to look for:

- The customer clearly purchases and walks away with several items – an entrée, a side, a drink – but the receipt shows a \$0 dollar total or only a small amount – perhaps the price of the drink alone.
- Especially in the case of the small transaction, to validate, be sure to check the previous transaction to make sure that the other items were not previously rung up and the drink was not just a mere “after thought” by the customer

Actions

- Create high probability POS reports
- Schedule time to review (daily or weekly)
- Validate suspect transactions with video



Play: Employ a Good Cash Handling Policy

Employing an effective cash handling policy can do a lot in the way shrinkage prevention by putting in place the correct checks and balances and processes to mitigate opportunities for theft. Your policy should be posted where employees who handle cash will see it on a regular basis as a friendly reminder. It should also be including in the new employee on-boarding materials; employees should sign a copy to be kept

in their employee file.

Your Cash Handling Policy should cover:

- Cash Counts
- Single-drawer accountability
- Cash Drops
- Cash transactions with Customers

Actions

- If you don't already have a Cash Handling Policy, create one
- Post your policy where it can be seen as a friendly reminder to those who handle cash – e.g. in the cash counting area
- Include a copy of the policy in the employee on-boarding materials; have new employees sign the copy acknowledging have read and understood the policy. Keep the signed copy in the employee's file
- Validate that cash handling policies are being followed with video. Take corrective action where problems are discovered including additional training up to termination

How it all Comes Together

Video should be an integral part of how a restaurant manages its day-to-day business and protect restaurant profitability. Restaurant operators can leverage video cross functionally to gain actionable insight into all aspects of daily restaurant operations and rapidly make improvements to increase profitability.

More Resources

If you liked this playbook, you might also enjoy these resources:

Playbook: Restaurant Loss Prevention

Playbook: Restaurant Operations Playbook

Quick Video: What makes Envysion different from traditional video surveillance providers?

For more information and additional resources:

www.envysion.com

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877.258.9441 Option 1 (Toll Free)

ABOUT ENVYSION

Envysion enables large, national retail, restaurant, cinema and convenience store operators to increase profitability 10-15% by putting easy-to-use, video-driven business intelligence™ into the hands of the entire organization. Envysion created the Managed Video as a Service (MVaaS) model which transforms video surveillance into a strategic management tool that provides instant and unfiltered business insights to users across operations, loss prevention, marketing and human resources. The MVaaS model enables Envysion to accelerate innovation by rapidly responding to market opportunity and making new capabilities immediately available to all users. Envysion's platform quickly scales to 1000s of locations and 10,000s of users without straining the IT department or network. For more information, visit www.envysion.com or call 877.258.9441.