

# Hatching an empire

with Envysion



## Challenges

- Simplifying risk management activities and improving operating efficiency
- Reducing false alarms and eliminating potential fines
- Improving response times and resolutions to store alarms
- Increasing area managers' productivity and store coverage

## Solution

El Pollo Loco implemented Envysion Video Alarm Verification to streamline its alarm investigation and verification activities to avoid costly penalties, reduce overall costs, and create an efficient alarm verification process for all of its stores.

## Business Outcomes

- Slashed rate of false alarms to achieve 100% ROI on camera and video purchase
- Reduced costs associated with fines and penalties for false alarms by up to 60% upon implementation
- Established a seamless alarm verification process with its external security services firm using existing technologies and infrastructure
- Streamlined loss prevention and alarm activities to improve efficiency and productivity



Fast-growing chicken chain uses Envysion Video Alarm Verification to reduce false alarms, improve compliance, and reduce costs

## ► NOT JUST ANOTHER QSR

The quick service restaurant (QSR) game sure has changed. In an industry long dominated by greasy burgers, nondescript sandwiches, and an assortment of fried foods, El Pollo Loco helped break the mold and usher in an era of diverse cuisines and a wider array of options for consumers.

For nearly 40 years, El Pollo Loco has served up fresh, Mexican-inspired dishes featuring its famous citrus grilled chicken as a healthy alternative to conventional fast food. What started with a single store in Los Angeles has blossomed into a popular regional chain with more than 460 locations across five states.

But with each new location and steady expansion over decades, improving loss prevention practices became increasingly difficult. And as the company eyed going public, pressure quickly mounted to find a way to bring it under control.

“Like most retail businesses, we spend a lot of time focusing on fraud, abuse, and other loss,” says Shaun Jackson, El Pollo Loco’s Director of Risk Management. “We needed an efficient, cost-effective, and scalable way to increase visibility and minimize risk across our fleet as we continued to expand. When we discovered Envysion and their ability to integrate video with POS data to reveal suspicious transactions, we knew they had a unique solution that we had to consider.”

We had already seen the value Envysion brings to our other loss-prevention operations, so the idea of using video to manage false alarms caught our attention. Envysion VAV provided an opportunity to address one of our biggest challenges and at the same time demonstrate a concrete ROI to support a wider deployment.

*Shaun Jackson, Director of Risk Management, El Pollo Loco*





### About Pollo Loco

El Pollo Loco, Inc. is a restaurant chain specializing in Mexican-style grilled chicken. Restaurant service consists of: dine-in, take-out, with some locations offering drive through options. Founded in 1980, the company comprises more than 460 company-owned and franchised restaurants in Arizona, California, Nevada, Texas and Utah, El Pollo Loco is expanding its presence in key markets through a combination of company and existing and new franchisee development to bring its fresh, authentic food to new audiences across the country.

## ► A LONG HISTORY TOGETHER

As its risk management efforts took shape alongside its ongoing growth, El Pollo Loco partnered with Envysion to provide a robust and flexible platform for video surveillance and exception-based reporting. Importantly, the company also leveraged Envysion's experienced staff to act as an extension of Jackson's team, providing guidance and expertise to extend El Pollo Loco's ability to reduce loss and minimize transaction fraud.

The long-standing relationship dates back nearly a decade, over which time the company strategically deployed Envysion's managed video solution—including all the requisite hardware and storage capacity—in select stores to help ensure that each store was taking appropriate steps to root out fraud and loss.

Unlike competing solutions, Envysion integrates with El Pollo Loco's point of sale (POS) system to automate key loss prevention activities and works seamlessly with other in-house processes and proprietary technologies. With Envysion managed video systems, local and area managers can keep a pulse on the daily operations of each store in their respective territory, using exception reports and video to monitor store safety, fraud, and even liability issues concerning both patrons and employees.

However, not every store utilized the system and for stores that didn't, it became increasingly difficult for managers to dedicate enough time for visiting each store in person to monitor operations and flag transaction fraud.

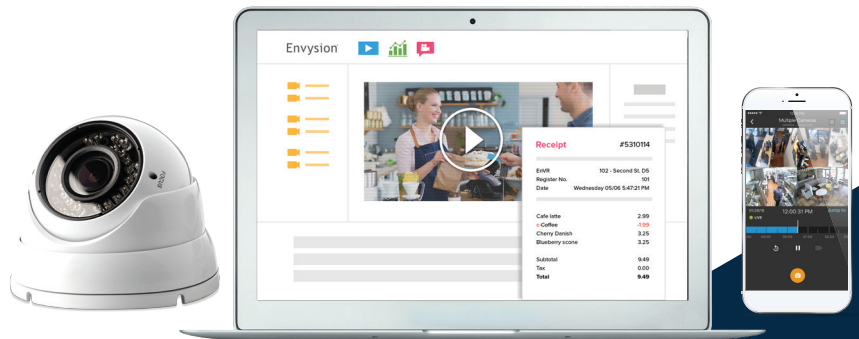
"Stores that fully leveraged our video platform had a good handle on loss prevention opportunities. But stores that didn't have it in place had very limited visibility and no idea how much we were losing each month," Jackson says. "We knew we needed Envysion in each of our stores, but without concrete numbers to calculate a hard ROI it made it really difficult to justify rolling the services out to everyone."

## ► UNCOVERING HIDDEN VALUE

As a customer-centric organization, Envysion routinely seeks to understand how it can add more value to its customer relationships. In conversations with Jackson, he revealed a rapidly growing number of false alarms the company was experiencing across many of its stores. And being headquartered in a state with a unique regulatory environment created additional urgency, as the company faced profit-killing fines and penalties for frequent inadvertent or false alarms.

"Our spending on false alarm responses increased more than 20 times in just a few years, which hurts the bottom line and stifles growth," he says. "We just considered it a cost of doing business, until Envysion proposed a solution for addressing a problem we hadn't considered fixable."

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## ► UNCOVERING HIDDEN VALUE

Envysion suggested deploying its Video Alarm Verification (VAV) program to streamline the alarm investigation process and provide important visibility for minimizing false alarms in the future. Within the program, Envysion worked collaboratively with El Pollo Loco's security monitoring vendor, Interface Security Systems (ISS), to allow their operators remote access to live and recorded surveillance video so they can verify whether a legitimate security issue exists anytime an alarm is triggered. Envysion's cloud-based software makes live and recorded video accessible from any web-ready device, which allows El Pollo Loco's security vendor to accelerate alarm investigation and resolution without any additional hardware or overhead expenses.

Envysion integrated with ISS's alarm system so that anytime an alarm was triggered their team could instantly stream video directly from the store. By providing instant access to both live and recorded video, ISS responders are empowered to determine whether an alarm is false or legitimately requires a response before the appropriate authorities are alerted—saving the company thousands.

"We had already seen the value Envysion brings to our other loss-prevention operations, so the idea of using video to manage false alarms caught our attention," Jackson says. "Envysion's VAV solution provided an opportunity to address one of our biggest challenges, and at the same time demonstrate a concrete ROI to support a wider deployment."

“Using Envysion substantially reduced the number of false alarms we triggered, alleviated the risk of incurring costly fines for these false alarms, and ultimately saved us enough to completely cover the cost of a full rollout in our remaining stores.”

*Shaun Jackson, Director of Risk Management, El Pollo Loco*

## ► ERADICATING FALSE ALARM COSTS

Envysion's VAV solution has helped transform El Pollo Loco's operations, creating an efficient and cost-effective way for Jackson's team to reassert control over false alarms, a long-time challenge and disruption to the business, while enhancing other loss prevention efforts. In the stores where Envysion was deployed, false alarm costs were nearly eradicated, saving El Pollo Loco several thousands of dollars in unnecessary expenses each month.

"We were spending an inordinate amount of time addressing false alarms and finding ways to get them under control for the safety of everyone in our stores," he says. "Using Envysion substantially reduced the number of false alarms we triggered, alleviated the risk of incurring costly fines for these false alarms, and ultimately saved us enough to completely cover the cost of a full rollout in our remaining stores."

With the success of the initial VAV implementation, Jackson is looking forward to exploring other ways of incorporating video into El Pollo Loco's business. "We're planning to test video for inventory management, monitoring speed of service and cleanliness, and even as a part of some upcoming marketing initiatives," he says. "Envysion has proven concrete ROI through their creative approach to solving problems most companies assume as sunken costs of conducting business. They're the ideal partner to help us continue streamlining our current operations and maximizing profitability to accomplish our longer term goals."

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