

CUSTOMER STORY

CKE Restaurants

OpenEye[®]



CKE Restaurants Holdings, Inc. owns, operates, and franchises some of the most popular brands in the quick serve restaurant industry including the Carl's Jr.[®], Hardee's[®], Green Burrito[®] and Red Burrito[®] restaurant brands. The CKE system includes more than 3,300 restaurant locations in 42 states and 28 countries. CKE is headquartered in Franklin, Tennessee.

CKE Restaurants, Inc. needed a solution to remedy poor operational standards throughout its corporate-owned stores. Seeking an easy-to-use platform that was scalable across more than 900 locations, CKE sought a way to find stores with poor operational control. By finding these stores, CKE could correct improper procedures, so the location ran properly. In turn, CKE can improve profitability and ensure customer satisfaction.

After investigating numerous options in the industry, CKE selected OpenEye's loss prevention solution paired with video surveillance. CKE partnered with SSD Systems to deploy OpenEye recorders at all corporate-owned stores across the United States. OpenEye's solution enables CKE to obtain high quality video while integrating with their existing video surveillance system. Now CKE can gather data from POS systems across the country to identify the root cause of theft.

Using OpenEye's SaleGuard application, CKE saw results almost immediately, and noticed a higher rate of cash admissions in cases that used the platform. Within a few short months of limited application use, CKE saved more than \$40,000 in cash and food fraud. "Investigations that used to take up to eight hours can now be accomplished in less than two and with much better video quality," said Anne Sullivan, director of loss prevention at CKE.

INDUSTRY

Quick Serve Restaurants

LOCATION

International

INSTALLER

SSD Systems

www.ssdalarm.com

CHALLENGE

- Need to improve operational standards nationwide
- Poor video quality
- No unified remote connection

SOLUTION

- New head units
- Video integrated with POS

BENEFITS

- Saving money by reducing cash and food fraud
- Less time spent on investigations

Operational excellence is extremely important to the day in, day out operations of CKE's business. Sullivan said, "Most beneficial is OpenEye's video connection and the user-friendliness our field partners experience. Additionally, using their ReportStar health monitoring system, we are able to be proactive, as opposed to reactive, when managing the company-wide system."

Currently using the loss prevention capabilities of SaleGuard, CKE investigates refund fraud, coupon manipulation, cashier fraud, and under-ringing at the Point of Sale. The company can identify fraud at all levels of their operation, from cashiers to general managers. The platform helps set apart intentional fraud from instances of poor operations management.

SaleGuard is powered by analyzing Key Performance Indicators (KPIs), which are customizable to watch troublesome operational areas at each store. KPIs used across CKE locations include: Cost Per Item, Transactions Per Day, and Sales Per Day. Using KPIs, the loss prevention team can identify not only the thief, but the root cause of any operational deficiency.

Since installing SaleGuard, CKE saw case resolution increase to 90 percent. Of the dozens of new cases solved using the OpenEye platform, CKE highlighted two that stood out, helping to improve their bottom line and reinforce operational procedures.

The CKE loss prevention team found significant numbers of questionable small item transactions taking place at one of their locations. Further investigation revealed an employee serving multi-item orders, and accepting full payment from the customer, but only ringing up a small drink as the total. Using SaleGuard, the LP team could verify each transaction using archived video and see an overlay of receipt information on their screen. Alongside eating unpaid food and giving away food items, the employee admitted to causing a loss of \$1,705.36, discovered through SaleGuard.

After observing unusual coupon activity from SaleGuard alerts, the CKE loss prevention team conducted an interview with a store shift leader. Using SaleGuard, the LP team reviewed questionable register activity where, unbeknownst to the customer, the employee added a coupon discount after the customer paid the total of the order. The employee admitted to taking small amounts of cash over the span of 18 months, normally ranging between \$30 and \$40 each time. Through her actions, the shift leader ultimately caused a total loss of \$5,738.91.

"We are now using SaleGuard not only to identify theft, but more importantly to identify KPIs that contribute to poor performance, which then allow people to steal," said Sullivan.

"We are now using SaleGuard not only to identify theft, but more importantly to identify KPIs that contribute to poor performance, which then allow people to steal."

Anne Sullivan
Vice President of Asset Protection & Safety, CKE Restaurants, Inc.

OpenEye[®]

THERE'S MORE TO BE SEEN
www.openeye.net

FOR MORE INFORMATION
sales@openeye.net
(509) 232-5261