



Hoptimizing DQ

AI performance coaching proves to be the cherry on top for DQ franchisee

Client profile

Our client, "Andy" is a successful DQ franchisee in the North Carolina area who owns and manages 5 DQ locations. We began working with him and his management team approximately 14 weeks ago after we had already experienced success with another DQ franchisee, "Mark" and, wanted to share the profit hacking formula to other hungry business owners in the QSR industry.

Their challenges

Although successful in running the 5 DQ locations at a 10%+ net margin thus far, they were still experiencing major issues in the day-to-day operations which was cutting into the bottom line. These included the typical challenges that all QSR franchisees and business owners across the US are facing at the moment, ranging from rising food, royalty and labor costs; low margins; limited ability to increase pricing sufficiently enough to cover the cost of inflation; and ever-decreasing margins in a pre-recession economy. The business pressure is further felt through the drop in employee performance standards which until now has been near impossible to measure and track when it comes to performance measurement thus leaving managers overloaded and thinly spread.

All of these issues pointed towards a need for crisis prevention interventions for both the franchisees and store managers alike. This is where Hoptix came in.

The journey from Performance Management to Profit Hacking!

After a quick discovery meeting with "Andy" to understand the challenges and opportunities for improvement, we suggested that Hoptix be implemented into the business to assist with employee engagement and coaching and to further establish which operational areas in the stores could be hoptimized.

This was simply done by implementing Riley, our AI Coaching system, which through video, audio and AI integration allows us to seamlessly overlay our technology onto the existing video and drive-thru audio systems in the stores.

By doing so and collecting the daily organic data in the background, Riley allows us to clearly identify what needs to be improved within the operations, where exactly this occurs, who, meaning which employee has the greatest chance of improving and, specifically how their performance was lacking in areas that could deliver profits most easily, IE the low-hanging fruit.

From our experience as QSR experts established through working with other big brand stores like KFC and Taco Bell, as well as the existing DQ clients, we found that some common areas to look into were usually:

Suggestion Selling,
Overportioning, and,
Speed

Hoptix observed what we had done with the previous DQ franchisee and that this had centered around extra toppings for blizzards, sundaes, etc, where he saw success of an additional 10% net margin, and an additional 15% from Upsizing (selling more of the largest items). This translated into “Mark” making thousands of extra dollars monthly, and tens of thousands of dollars more annually.

We shared these insights with our new franchisee “Andy” and began implementing Hoptix across half of his locations. We suggested he start with measuring and monitoring the employees’ habits when it came to upsizing and quickly saw an increase in revenue. Riley analyzed all of his stores to see how to hoptimize for the fastest and easiest ways to the largest profits, resulting in profit finding and hacking.

Assistant managers shared elated feedback that they had never seen so many extra-large cups used before – they were running out! This was spurred on by the profit-producing habits the employees were learning through the AI coaching tool.

Managers were seeing the value that Hoptix created for their stores with many of them remarking that it was such an easy-to-use plug and play solution- they couldn’t believe they hadn’t done this sooner! Even the cooks wondered how they were selling so many more fries!

The franchisee had recognized Hoptix as a brand- preferred expert and Riley had found the magic formula for his franchise. After just 3 weeks of positive data results from Riley’s insights, the franchisee excitedly implemented this across the other half of his locations.

What was the magic formula?

Our data insights and analytics pointed to an unavoidable truth - there were tens of thousands of dollars being left on the table from a lack of suggestive selling opportunities like upselling, upsizing and extra toppings. We met with the store managers, area managers and the owner, dissected and understood where and who to focus their attention on daily, where the lowest scores were presenting themselves and who had the most shifts.

The first area we focused on was upsizing and through positively building the employees’ habits while listening to those that needed the most improvement, the managers were equipped to empower their staff. Armed with Riley’s reports which provided deeper layers of insights into the employees’ performance and even broken down further into individual performance scores, all backed by video and audio clips for reference. General Managers were listening more intently, coaching and training employees and sharing praise. This meant that the good performers got better, and the low performers were exceeding some top performers at pre-Hoptix levels in less than 30 days. We quickly saw employee performance scores go from 15% to 26% to 62% improvement within weeks! In this short time, Riley has helped them increase the average upsize ratio by 28.4%, which translated to \$272.85k in sales opportunities!

Just as pro athletes and entertainers would use performance measurement tools to track and improve their performance, the employees were now able to do the same!

Additional culture builders were implemented like posting the scores at the stores to recognize the employees efforts and boost their morale, and, low dollar incentives were given for simply increasing their offering percentage of items that could be upsized. The employees felt loved, valued and seen through all the individual care they experienced. This in turn drove them to fulfil their own purpose, grow and develop in their careers and as a result, make more money! This knock-on effect of the friendly competition was an improved company culture.

This happened faster than any training and development program ever before. Through Hoptix, they didn’t spend time just finding the problems but were able to hyper focus on fixing them. This was actually saving them so much time and money!

15% increase in net profit in 90 days, guaranteed!

We saw results within 60 days with the franchisee bringing in more than 15% net profit monthly from upsizing - all due to smarter and actionable insights from Riley and Hoptix.

With such amazing improvements the franchisee is now preparing to implement extra toppings as a new metric for measurement and we are confident that that will follow proven trends and deliver an additional 10% for a total of 25% increase in Net Profit.



Ken Bianchi
CEO & founder

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