Steak n Shake

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> *Stephen Pruden, Director of Information Technology Strategy and Integration, The Steak n Shake Company*

The Steak n Shake Company (NYSE: SNS) is a full service, casual dining restaurant open 24 hours a day. Offering made-to-order food at the speed and price of fast-food, Steak n Shake is one of the oldest restaurant chains in the United States.

Today, Steak n Shake operates 483 restaurants in 20 midwest and southeast states, including 49 franchised units. With more than 20,000 employees, the company's revenue is approximately $700 million.

In 2006, Steak n Shake began executing on a multi-year strategy to achieve sustained same store sales growth and prepare for market expansion. Integral to the plan was implementation of an enterprise BI solution.

With that in mind, Steak n Shake selected IBM Cognos 8 BI to enable the company to focus on its key economic drivers, and help drive performance management and profitable growth.

Challenges faced

To meet its business objectives, Steak n Shake needed to overcome some challenges in its IT, operations, and finance groups.

Like many mid-size companies, the company's IT department had to do more with less. More specifically, the technical team needed to consolidate internal skill-sets, streamline reporting, and provide field users and corporate business units with self-service reporting.

On the operations side, store managers needed to spend less time analyzing numbers and questioning the data, and more time taking care of associates and guests. For finance, the objective was to align corporate strategy with operational metrics and measure performance to plan.

Industry:
• Retail, hospitality

Geography:
• North America

Information needs:
• Dashboard, scorecarding, and analysis capabilities
• Self-service capabilities
• Seamless integration across multiple data sources
• Ad-hoc reporting

Platforms:
• Windows
• Oracle Data Warehouse 9i -10g
• IBM HS20 BladeCenter servers
• IBM DS4800 storage area network

Users:
• Over 2000 users across 500 locations

Solutions:
• IBM Cognos 8 BI
• Business Intelligence Competency Center (BICC)

Benefits:
• Enhanced visibility and better decision-making due to a single view of data
• Strong employee satisfaction and reduced turnover
• Faster speed of service to customers
• Cost savings from greater efficiencies and improved performance management
• Increased access to more accurate and timely information
• Standardized reporting

"This is about taking into account all of our key metrics around how we manage our business," says Stephen Pruden, Director of Information Technology Strategy and Integration, The Steak n Shake Company. "Whether it's focusing on growing our leadership, whether it's focusing on retaining associates, or whether it's focusing on whether we are hitting our margins. All of these things drive same store sales for our operators."

The solution? Build two complementary technology assets: an enterprise data warehouse and a single BI platform. The BI platform, in particular, would serve as a key enabler for future growth.

Strategy followed

After considering several BI vendors, Steak n Shake selected Cognos. The company was attracted to Cognos due to its seamless integration across multiple data sources, ad-hoc reporting, and dashboard, scorecard, and self-service capabilities.

Steak n Shake then sought guidance from Cognos Platinum Partner, JCB Partners. "We wanted a partner that had expertise, not only with the technical solution, but also within our specific industry, the hospitality and multi-unit restaurant operator space," states Pruden.

To kick off the implementation, Steak n Shake created and loaded its new data warehouse with IBM Cognos Data Manager. It then tapped JCB Partners to help create a "one-stop shopping" portal for employees that included dashboards, reports, and analysis cubes. JCB consultants completed the data warehouse design and initial dashboards and reports implementation in under 120 days.

To enable employees to take full advantage of their new Cognos BI solution, Steak n Shake also established a Business Intelligence Competency Center (BICC). Sponsored by the company's CFO, the BICC is comprised of a cross-functional mix of company executives and subject matter experts. It is seen as a model for project prioritization, requirements gathering, strategic alignment, and governance.

In addition to the BICC, Steak n Shake leveraged several unique strategies to ensure rapid adoption of the new system across the company:

- Building an infrastructure that would scale to meet rapid demand.
- Starting with the revenue-generating business units.
- Concentrating on simplification and user perception.
- Encouraging organic growth.

After an initial deployment of 50 sites, Steak n Shake has since implemented Cognos 8 BI throughout all of its stores. It has also standardized on Cognos for all of its dashboarding, reporting, and analysis needs.

"Over a nine-month span, the Cognos solution was deployed to 2000 users in our restaurants, corporate, and other offices," notes Pruden. "This deployment was not scripted ahead of time, but grew organically from our initial implementation.

"We believe our overall success was due to the speed at which we deployed the BI solution. This would not have been possible without a very scalable infrastructure providing trusted information through a simple reporting portal that meets the needs of restaurant managers, executives, and analysts."

Benefits realized

Using Cognos, Steak n Shake has been able to standardize its reporting process and provide users with a single and complete view of the business. "With Cognos, our reports are being delivered faster and in a more efficient way with little IT overhead," explains Pruden.

Specifically, 2000 associates across 500 locations use Cognos reports to manage labor, enforce quality and cleanliness standards, improve guest satisfaction, and manage financials. Analysis tools are used by marketing, payroll, and finance. And senior executives use Cognos dashboards to stay on top of daily performance and strategic trends.

"Our Cognos implementation has shaped all major business units at Steak n Shake," says Pruden. "Most importantly, our executives have the faith in information delivered through Cognos to drive our corporate strategy and measure our progress."

The Cognos self-service reporting capabilities provide employees with easy access to information that is more accurate and timely. Equally important, store managers can now quickly judge the day-to-day health of their restaurants. Armed with this new insight, staff are able to make better decisions and support the growth targets and corporate objectives of Steak n Shake.

Pruden notes that information access and corporate insight are a real competitive advantage in the current economic climate. Restaurant operators use Cognos dashboards to measure sales and average check performance; manage food, labor, and other controllable costs; understand customer satisfaction based on third-party surveys; and increase speed of service for drive-though sales to maintain and grow market share.

"Our Cognos implementation gives us the ability to quickly change behavior in our restaurants, measure the impact of these changes relative to our strategy, and refine as needed to drive results," says Pruden. "During these tough times, we have reduced overall G&A spending through doing more with less; associate turnover is at a record low of 128 percent, overall guest satisfaction levels are near record levels, and speed of service times has decreased substantially."

Further, the IT department has gained efficiencies and now has more time to devote to other projects. "Because of the Cognos BI single report authoring tool set, we have been able to reduce the number of tools that we support," says Pruden. "We have also found Cognos to be very-user friendly and intuitive so it is easy to train employees."

Cognos has also helped put IT on the map at Steak n Shake. "Steak n Shake restaurants now view IT as enabler of the business," states Pruden. "Previously, we were often seen as a bottleneck to securing valuable information. Now we have employees lining up outside our door because they want more information and support for streamlining their business processes."

Pruden sums up the company's experience with Cognos: "Employee satisfaction is very important to Steak n Shake, so Cognos has been a big win. Not only did Cognos BI score an impressive 96 percent rate of satisfaction among our pilot store managers, 91 percent believe it is easy to train new users and 85 percent state the solution saves them time every day."

About JCB Partners

JCB is a business consulting firm that specializes in helping organizations leverage the data that drives their business through reporting and planning. The company is also a Cognos Platinum Partner.

JCB's breadth of operational, technical and industry expertise is unmatched. Consultants combine Cognos product knowledge with industry and business process expertise, so customers can better understand the data that drives their business.

About Cognos, an IBM company

Cognos, an IBM company, is the world leader in business intelligence and performance management solutions. It provides world-class enterprise planning and BI software and services to help companies plan, understand and manage financial and operational performance. Cognos was acquired by IBM in February 2008*. For more information, visit **http://www.ibm.com/software/data/** and **http://www.cognos.com**.

As a result of the acquisition, product names have now changed to reference IBM at the beginning of the software or service.