

AT a Glance

COMPANY:

HMS Host

ABOUT:

- Operates food service and retail outlets in airports and travel plazas
- Uses MICROS Systems POS solutions and polls over mymicros.net

SITUATION:

HMSHost needed to analyze data from thousands of revenue centers across North America.

SOLUTION:

In 1999 the company selected XBR Loss Prevention from MICROS-Retail to perform exception based analysis

RESULTS:

Scrupulous data management enables HMSHost to manage numerous restaurant and retail banners effectively.

STRATEGIC BENEFITS:

- Quickly converts mountains of data to actionable information
- XBR sits atop mymicros.net, saving hours of processing time
- Reporting can be managed by a small LP team and used nationwide
- Cases can be addressed quickly
- Flexible to adjust to changing needs and a variety of formats
- Enables staff to enforce corporate policies equitably
- Encourages peak performance

Managing a Host of Complexities

HMSHost streamlines data from thousands of revenue centers across North America.



HMSHost operates a variety of foodservice and retail brands and formats (quick service, bars, full table service, and newsstands) in 114 airports around the world and in 87 travel plazas in North America. It also runs the tourist stores in two high profile

destination travel venues—the Empire State Building in New York City and Johnson Space Center in Houston. Each location has a number of different revenue centers, and each of those has one or more registers or workstations. Asset protection is challenging in such a diverse environment. Since 1999, HMSHost has managed the process in North America using MICROS-Retail XBR Loss Prevention.

Actionable Reports

“One of XBR’s main benefits is that it accepts transactions from all the businesses into one system, but issues different alerts and reports for each business unit,” says Martyn Holland, CIO of HMSHost. “We may set an alert to let us know when a retail store has unusually high credit card returns or we may monitor a quick service restaurant for instances of ‘extras’ being ordered when no main dish has been purchased (such as, an order for extra lettuce but no sandwich). Either of those can be perfectly legitimate situations, but they are worthy of review by the manager. HMSHost is a hybrid organization in that we need to identify very different situations from one type of revenue center to the next. With the flexibility to adjust to our ever-changing business, XBR helps us manage all of our formats.”



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-Stephen South, regional LP manager at HMSHost

XBR is equally easy to use regardless of brand or format. Within the segments, however, there are preferences for certain reports. Stephen South, regional LP manager at HMSHost and one of the original users of XBR at the company, elaborates.

"When we started out in quick service," says South, "the 'Sales < \$1' report was incredible. We were able to identify low-hanging fruit and use the findings to our advantage. We immediately changed the programming on our registers to correct issues at the source. As time went on we found other areas of concern and made other adjustments that boosted our Loss Prevention efforts."

"In casual dining, the focus is more on 'Checks with Tips > 50%' and 'Checks Open > 90 minutes.' We run many other reports, but these are routinely good starting points," he continues. "We also check for registers set to training mode as it could be an indication of sales being rung, but not captured and properly recorded by the financial systems. Such reports allow us to correct the issue immediately."

Distributed Use

At HMSHost, XBR is installed centrally and processes hundreds of thousands of transactions daily. The queries and reports for all users and brands are managed by a small team of analysts. Instead of sending alerts and daily reports exclusively to the LP staff, they are sent to the unit managers. These managers are trained to read the reports and take the initial steps toward investigation; they can call in the regional loss prevention team if further investigation is warranted.

"The managers have many responsibilities, and we want them to spend their time running the operation, not running reports," says South. "With XBR, the information is just a mouse click away. In a diverse environment like ours, the manager's involvement is crucial. The manager knows the routine behaviors at the location and can quickly see if an issue needs attention. For example, if flight delays forced an excessive number of open checks, the manager would know and would not need to call up an investigation."

Encouraging Success

The Loss Prevention department is a partner to the organization's operations, helping them achieve higher profitability. LP does this by protecting assets and by encouraging peak performance. "I run a sales report for managers to help them identify top performers and highest check average," says South. "They're usually surprised to see who won and it is a great way to utilize an LP tool to help operations identify their high performers."

Contests and achievement awards are an effective means to increase employee engagement and improve sales. Whenever brand, region, or location runs a contest, the LP department assists by using XBR to validate or tabulate results. The necessary information is readily available in the system, making it easy for the manager to gather objective results as well as ensure that the true top performers are rewarded.

Curtailing Loss

In 2009, using XBR to analyze transactions in a casual foodservice location turned up an excessive number of line voids by various associates. Drilling deeper, the Loss Prevention team found that all the transactions were approved by the same manager. Further investigation revealed collusion between the manager and several associates to defraud the company. With court-admissible evidence in place, the Loss Prevention team moved quickly toward restitution, prosecution, and dismissal for all involved.

Some reports are run with the goal of having nothing appear on them at all. For example, some brands have the “no sale” button on the register deactivated when the point-of-sale is installed. South regularly runs a report on the use of the inactivated buttons. If transactions show up, he knows that those POS systems need attention.

Fairness and Awareness

Not only is XBR used to identify suspicious situations, it serves as a deterrent. New employees see XBR and its reports during orientation. This is not viewed as a negative; instead, showing the company is trying to minimize loss and maximize profitability helps with employee morale. “Management, employees, unions— everyone involved — appreciates that we are using technology to gather factual information,” says Holland. In the event of an investigation, the company has solid proof of misconduct. Cases can be resolved quickly.


mymicros.net: Faster, Cleaner

Recently HMSHost began using XBR in conjunction with mymicros.net, a content rich Internet portal for the hospitality industry that includes access to hosted applications for point-of-sale, back office, data warehousing, business intelligence, and other business applications. In this new environment, there is no need to export data to a separate database for analysis by XBR.

“This new configuration saves hours of processing time every day,” says Holland. “We had so many transactions to transfer to the old database, that sometimes it took more than 24 hours to process one day’s worth of data.

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Now data is available to us much faster, and we don't have data cleanliness issues because we're processing from a single source of information." Also running in this hosted environment is MICROS-Retail Balance. Balance scrubs the data to make sure that complete, accurate information feeds into the corporate system and that any errors and cash distribution are flagged for correction by the Sales Audit staff. Like XBR, Balance offers simplicity and consistency within a diverse, high-volume environment and affords a centralized general ledger accounting staging tool.

HMSHost has made a strong move to SaaS solutions with its use of mymicros.net, XBR, Balance, and even their point-of-service system, Symphony™ from MICROS Systems, Inc. This arrangement provides 24/7 monitoring and relieves the IT staff of routine maintenance and repair. "Given the mymicros.net conversion and the addition of Balance, we now have opportunities for growth in our use of XBR and new ways of looking at the data from our locations," says Holland.

Continuing Value

"We have never had to emphasize case counts," says South. "It's not the number of cases, it's the financial impact. All LP tools, including XBR, are credited with the results of helping to monitor cost of sales in our foodservice units and shrink in our retail shops."

When the Loss Prevention department finds a substantial case, they perform a case impact analysis. They compare the performance of the unit for the few weeks prior to the case to the sales a few weeks after the case.

They also compare these numbers to a control location during the same time period. They typically see a jump in revenue following an investigation. Many factors could contribute to this result, among them registering all sales transactions, increased attention to detail at the location, and more scheduled hours for the productive employees.

XBR continues to make measurable financial contributions. Many are through the conscientious application of proven reports, while others are through the innovation and creation of new HMSHost reports.

"With a company as diverse and spread out as we are, it's very valuable for us to have access to this information with the click of a mouse. XBR is of immeasurable benefit to HMSHost," says South.



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Find out more about what MICROS can do for you

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About MICROS

Serving the hospitality and specialty retail industries, we are the world's leading developer of enterprise applications. Our global presence and local support have helped us build a long list of references – hotels, restaurants, conference centers, retail, stadiums, theme parks, casinos and cruise ships. We maintain an intense dialogue with colleagues throughout these industries. The result is a wide range of integrated software, hardware and business technology solutions and services. These help to optimize your operation and increase profits by providing your guests with a personalized service.

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