



KFC: Maximises Sales and Reduces Waste with Fourth's Demand Forecasting

KFC is a global Quick Service Restaurant (QSR) brand known for its finger-lickin' good fried chicken. One of the secrets behind KFC's success, is its focus on implementing reliable demand forecasting and inventory management processes, which have not always been an easy task.

Challenges

KFC recognised its rigid, top-down, time-consuming demand forecasting processes were inaccurate, resulting in lost sales and inefficient labour practices that impacted profitability.

Forecasting came from two sources:

1. Head office forecasts were based on their criteria with no visibility into local factors that impact demand, and managers had no control over these inaccuracies.
2. At the restaurant level, managers were burdened with inconsistent and inefficient processes which led to manually created forecasts using a spreadsheet based on restaurant sales and inventory usage.

Inaccurate forecasting often meant managers missed revenue targets. Forecasting too little led to running out of inventory or operating with insufficient staff, both of which reduced throughput. Whereas forecasting too much led to increased inventory waste or inefficient labour, affecting profitability.

AT-A-GLANCE

Customer: KFC

Industry: Restaurant

Geography: Australia

Business Situation: Outdated demand forecasting processes resulted in lost sales and inefficient labour practices impacting profitability

Solution:

- Fourth's Demand Forecasting and Inventory Management Solution - MacromatiX
- Fourth's Business Intelligence and Data Streaming Solution - MacromatiX

Results:

- Immediate - cost savings, access, control, speed, visibility
- Intelligence - holistic, data sharing, actionable insights
- Individualised - personalisation, preferences, right time, right place



Having a forecast you can trust is the first step in successful management of labour cost, food cost, and product availability and freshness."

Matt Forsyth, APAC Restaurant Technology Partner, KFC

Solutions

KFC turned to Fourth to deliver low-touch demand forecasting with 95% accuracy to maximise revenue, optimise operations and reduce labour and waste costs at KFC.

MacromatiX, a cloud-based solution with intuitive applications and powerful automation, provides flexible reporting, and daily workflows to help managers optimise their operations, and productively plan and adapt to changes.

This inventory management solution, with built-in intelligence, offers configurable business rules and data integrations to drive actionable insights for improving the accuracy of ordering, counting, receiving and more.

Results

More than ever, brands need to ensure that the business runs seamlessly and efficiently. Task automation, along with a user-friendly interface and access to relevant information, are all essential to make complex processes easy. To achieve this in the QSR industry, having a robust system that manages labour, inventory, and kitchen production are paramount.

With Fourth's MacromatiX solution, KFC now optimally manages inventory and accurately forecasts demand, with powerful task automation that enables managers to run operations efficiently. These forces combine to reduce waste-related financial losses, while ensuring profitability and ideal guest experiences.

Automated systems for overall operational efficiency

KFC now generates insights that support restaurants' overall operational efficiency through its data warehouse and Fourth's BI solution.

Fourth's BI data streaming solution is a highly reliable database that KFC uses to pull data into their data warehouse. It is used across the business to set targets for the various cost of sales and labour, and KPIs. It also provides operational dashboards to enable restaurant managers to better operate their business in near real-time.

"For operators, task automation is key to ensuring we can redeploy labour to the activities that make the most customer impact. Having the systems to ensure they are set up for success is critical."

Jeff Monico, APAC Chief Digital & Technology Officer, KFC



Accurate demand forecasting (down to 15-minute intervals) ensures fresh food - resulting in a satisfying experience for the customers. *"Managers love how it frees up their time and makes it easy for our cooks to take control of production."*

Matt Forsyth, APAC Restaurant Technology Partner, KFC