



CLIENT CASE STUDY: CHURCH'S CHICKEN



Customer Profile

Based in Atlanta, Church's Chicken is a leading fast food chain with more than 1,600 locations worldwide in 20 countries and sales exceeding \$1 billion.

Business Situation

To support aggressive growth objectives, Church's needed to improve management of the purchasing and supply chain process, increase accuracy of receiving, invoicing and food costs and integrate its systems with distributors at a low total cost of ownership.

Solution

Church's chose ArrowStream OnDemand to automate purchasing and integrate with its distributor partners.

Benefits

Delivering time savings without the upfront hardware/software investments required by other applications providers, ArrowStream OnDemand delivered the following results for Church's:

- 200% ROI within the first year
- Better decision making and reduced inventory with complete supply chain visibility
- Improved efficiency for consumer and franchise satisfaction
- Rapid start-up and integration with distributor systems at a low total cost of ownership

Church's Chicken Gains Full Visibility, Scalability, Efficiency & 200% ROI with ArrowStream OnDemand

Business Situation

Church's Chicken recognized an opportunity to capture increased market share by expanding its menu and growing its chain network by almost 1,000 new restaurants by 2010. To assist with this steep growth trajectory, Church's sought a new solution that would manage the purchasing process for its volume of stores and 20 distribution centers. They knew they needed cost-effective technology that would enable complete visibility into the entire supply chain and address the limitations of their current system, which included:

- Manual and inefficient purchasing and supply chain processes
- Lack of integrated systems
- Incorrect invoicing and receiving
- Food cost inaccuracies
- Limited information management in terms of item specification, quality attributes, contract pricing and supply chain transaction visibility

Solution

Church's selected ArrowStream OnDemand as the best-fit solution for meeting the company's aggressive growth goals. Church's felt that this foodservice-specific tool offered an essential advantage that Church's identified as critical to success: OnDemand is a fully integrated and automated solution that offers complete supply chain visibility with low total cost of ownership. As a Software as a Service (SaaS) solution, clients have no investment in hardware and software. Supported by the ArrowStream Network of over 2,300 operators, distributors and manufacturers, OnDemand provides Church's with comprehensive, accurate and timely information.

For Church's, the system was up and running quickly and smoothly within 10 weeks. After only a two-day complete training for the Church's team and start-up services, Church's was quickly able to take advantage of the following features:

- 360 degree, real-time data visibility between all partners in the process: manufacturers, distributors and stores
- Synchronization of data between partners ensuring that all involved are working from the same set of data and can make informed business decisions
- Total integration and issue resolution between the distribution center feeds and back-office systems
- Cost management, including food cost accuracy, price variance analysis and contract management
- Organization of all vendor and partner contact information, as well as automated notifications of key order deadlines

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“ArrowStream OnDemand is fully scalable to the chain operator’s needs in terms of function and capacity. With ArrowStream, I have access to more resources than I could possibly gather on my own, and I have a team that is always on the cutting edge of supply chain and logistics solutions.”

– David Taylor, Director, Restaurant Systems

Benefits

ArrowStream OnDemand, coupled with access to ArrowStream’s Network of trading partners, afforded Church’s complete supply chain visibility, operational efficiencies and financial benefits, resulting in: decreased total weekly man hours, more negotiating power and improved service. Within just one year of implementing OnDemand, Church’s achieved 200% ROI and has been able to redirect resources to channels that give more direct value to their customers.

Better Decision Making, Reduced Inventory

ArrowStream OnDemand gives Church’s complete visibility into distribution center shipments and inventory on hand and on order. It also allows them to proactively manage the supply chain through real-time access to critical information. OnDemand manages information on item specification, quality attributes, contract pricing and supply chain transaction visibility. This level of knowledge and insight from the manufacturer to distributor to store allows Church’s procurement and distribution teams to ensure the highest quality products arrive at the right price to their restaurants and consumers, resulting in optimal revenue generation. The data generated through OnDemand also enables Church’s to make better decisions about inventory transactions and recoup spend through improved food cost accuracy.

Support Growth Objectives with Scalable Applications

ArrowStream OnDemand gives Church’s a 360 degree view of the entire supply chain process. For a company with aggressive growth goals, this insight is critical. During an expansion phase, the ability to rapidly scale solutions to meet Church’s unique needs in functionality and scope keeps costs in line across the board while allowing for greater flexibility in order to increase market share.

“To gain optimal visibility from the supplier to the back door of the store, we sought a system that would readily link distributor information to our systems,” stated David Taylor, director of Restaurant Systems. “And if Church’s wishes to add suppliers, we can rapidly accommodate them and integrate that distributor into the system.”

With scalable software applications that zero in on product movement and pricing and automate limited time offer processes, Church’s is able to take advantage of cutting-edge supply chain and logistics solutions.

Improved Efficiency & Satisfaction

Church’s identified invoice management as an area that could quickly be automated through ArrowStream OnDemand to increase efficiency and improve customer service and satisfaction. With the new automated system, Church’s now sees the following results:

- Invoice processing time has reduced from one and one-half hours for each of the twice-weekly distribution deliveries to just five minutes per invoice — offering time savings of approximately 500 man hours per week or an annual labor cost savings of \$359,000
- A reduction in invoice issues as 75-100 invoices per week was slashed to three to five a week. This reduction equates to about \$1000 per week — a \$52,000 annual time savings
- A decrease in receipt/invoice errors, which went from 99% to 0%
- Increased time and resources for restaurant managers to spend on customer service, customer satisfaction and store profitability

“These new efficiencies are also having an unintended benefit by creating good will throughout the franchise network and contributing to franchisees’ greater satisfaction with the organization’s quality,” Taylor concluded.

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