

# Tattershall Castle Group (TCG) knows its business inside out thanks to Kognitio and WX<sub>2</sub>

By doing such a simple correlation as matching sales data to staffing levels, we have already realized significant cost savings. The return on our investment is tremendous.

*Robert George, finance director*

## Introduction

2-for-1 drinks, happy hour offers and free pub quizzes are welcoming messages to those who like to go for a drink in pubs and bars on a Wednesday night, but how do the pub companies who run such promotions judge their success? Whilst they can look at their sales for the evening in question, can they look deeper into the data and see if the promotions are actually increasing their profits or cutting into them? The reality is that whilst they want to be able to do this, they simply cannot gain that kind of insight in a quick and efficient manner. EPOS data from tills may represent a wealth of information about customer spend, but by the time the data has been profiled, analyzed and acted on, the pub in question may know too little, too late to change anything.

Too often, pub companies are run and managed by relying on instinct and perception. For instance, operators are already well aware that Mondays are slow but many are unable to evaluate the extent of their costs throughout the trading day. Nor can they say what would happen to business on Mondays if they changed certain dynamics. Would a drinks promotion make them more profitable? Could they save costs through cutting staffing levels? Or could they entice more customers into the pub by offering food? Whilst many would rely on instinct to answer these questions, being able to validate such gut feel inferences is key if businesses in the pub trade are to drive out inefficiencies and guarantee success.

## Facing the challenge

Such is the challenge that Tattershall Castle Group (TCG) faced. TCG wanted to run its business based on more than just gut feel. Ultimately, TCG wanted to be in a position where they could support their decision-making process in their 155 pubs across the UK by looking at their business data, discovering trends and correlations and relying much more on the facts and figures, rather than just on instinct.

Having invested in EPOS systems from Alphameric, TCG soon realized that the amount of data generated by all their tills was growing into vast volumes but, more importantly, that they could not easily mine it due to its sheer size. They needed to get the data in one place and join it together so that it made sense and could validate the decisions that they were making about their pubs.

Faced with this challenge, TCG turned to Kognitio, a supplier of business intelligence and data analytics solutions. Following several discussions ironing out the level of insight that TCG required, Kognitio set about understanding the pub chain's business and its needs. Armed with this knowledge, Kognitio then started the process of planning and implementing a business intelligence system that would take not only TCG's EPOS data, but also data from other sources, correlate it and allow all levels of management and operations at TCG to gain insight into how they were running their pubs.

Based on Kognitio's WX<sub>2</sub> fast analytical database, the system was developed to take data feeds from various parts of TCG's business, including EPOS, stock, general ledger, budgets, forecasts, health and safety, mystery shoppers, timesheets, machine income, estate information and invoices. However, the project did not just involve the development of a streamlined database environment that could show TCG insight into their business. TCG also benefited from Kognitio's knowledge and experience in the area of data analytics, experience that has been built up from working with clients for over 20 years.

The result was the implementation of a WX<sub>2</sub>-based analytical service. The service gives TCG access to a real-time ad-hoc analytics capability to permit in-depth analysis using a Cognos front-end reporting tool. Moreover, the service also sends reports and output to TCG once a week on the past seven days worth of trading. Management and operational staff at all levels are presented with reports that allow them to drill down and gain relevant, hourly information about their houses. "The output that we receive every Wednesday morning is incredibly powerful," comments Robert George, finance director at TCG.

## The Challenge

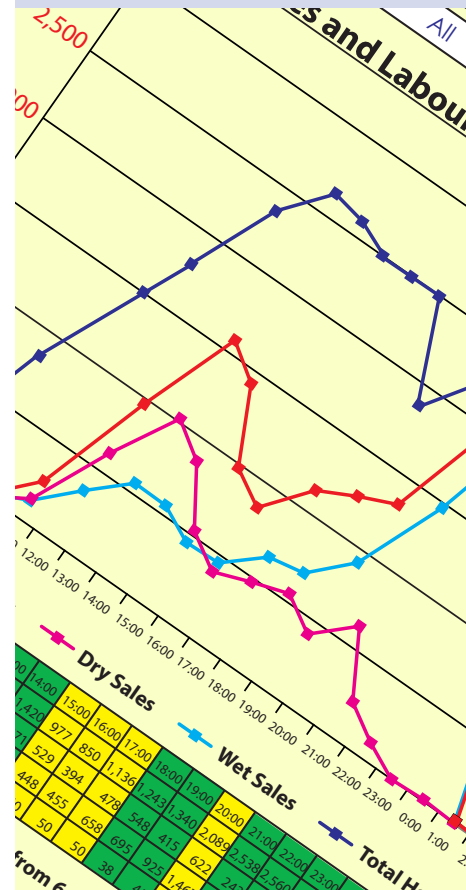
Leading UK pub company TCG wanted to look into their business data to validate the decision-making process in all of their houses. Furthermore, they wanted to use the data to gain detailed business insight which would drive their operational activity.

## The Solution

Using Kognitio's WX<sub>2</sub> analytical database, TCG benefits from a real-time ad-hoc analytics capability to permit in-depth analysis. As such, TCG has access to a correlated view of their data that demonstrates key insight into their operations and allows them to drive out inefficiencies.

## The ROI

By correlating data across the business, TCG have realized immediate savings which have gone straight to the bottom line.





## With their WX<sub>2</sub> analytical database technology, Kognitio has lifted the cover on a wealth of information we did not know we had.

“At the click of the mouse, I can see where the problem areas are and hone in on them. Similarly, operational managers are presented with their own copy of the data specific to them allowing them to see intelligence pertinent to their own house. We are all working with the same data and thus there is only one version of the truth.”

### Increased efficiencies

As a result of this insight, TCG has increased their levels of efficiency dramatically. Amongst other things, operators can clearly see just how quiet their pub has been on a Monday. But more importantly, they can now see to what extent this is true and whether the gap between making and losing money on Mondays is getting better or worse. Before Kognitio delivered this insight, they could not say for sure. Consequently, TCG's data now allows the business to detect the inefficiencies apparent in their business. Are labour costs too high? Are the promotions successful in driving profit? Are they employing too many bar staff? Have they got their food and drink mix right? These are all questions that TCG can now answer with conviction.

More importantly, because TCG receives the reports in weekly intervals, the business can now start to run more sophisticated and more targeted promotions on a much more frequent basis and they can quickly see the effect of these on sales. Operators then see what works and what does not.

### Detailed output

Kognitio has ensured that TCG is armed with as much detailed analysis as possible. Each report offers analysis on all 155 houses for the past seven days and data is represented in 24 one-hour segments from 6am to 5am the next day. Revenue data is presented alongside staffing data which in turn shows how much it costs TCG to run their pubs at certain times of the operational day. Data is presented using a traffic-light system; all profitable hours are shown in green, areas that may need attention are displayed in amber whilst all hours that make a negative contribution are displayed in red.

Furthermore, the output also includes line items for the percentage profit margin on all wet and dry sales, how it changes throughout each day and week and what the corresponding staffing levels were. In turn, the business can easily judge whether a drinks promotion attracted enough sales to make it worthwhile, how a price rise hit sales and whether the bar was overstaffed in relation to custom. “The output is clear and simple yet incredibly insightful,” continues George. “Almost immediately, we can see where the hotspots are and drill down into the data to help find the reason. Area managers can also see the same troublesome areas and talk to the operators to find out why. It may be that we have too many staff working in one pub when there are too few customers and yet, down the road, we may have another pub where there are too few bar staff to meet demand. From a few simple mouse clicks we can recommend that the staff move to the other pub to fill the gap.

And because the system includes more than just EPOS and staffing data, we can see if mystery shopper scores and health and safety records have any direct impact on trading levels. This kind of insight is fantastic.”

### Benefits

Already, TCG has seen a dramatic increase in efficiencies and the analyses provided by Kognitio and WX<sub>2</sub> has allowed them to save costs on staffing. “By doing such a simple correlation as matching sales data to staffing levels, we have already realized significant cost savings. The return on our investment is tremendous,” explains George.

In conclusion, Kognitio has provided TCG with comprehensive data agility. Whereas previously the business would have to spend time sourcing data, profiling and analyzing it themselves, a process which would typically take days and weeks, Kognitio delivers near real-time analysis on their business once a week to their desktops and business insight that they otherwise would never have achieved themselves. Moreover, because each level of the business has access to the same data, it is no longer a case where managers and operational staff would make decisions based on their own data sets. There is only one version of the truth. And it is this truth that is helping TCG to take more strategic decisions to grow their business and stay one step ahead of their competition.